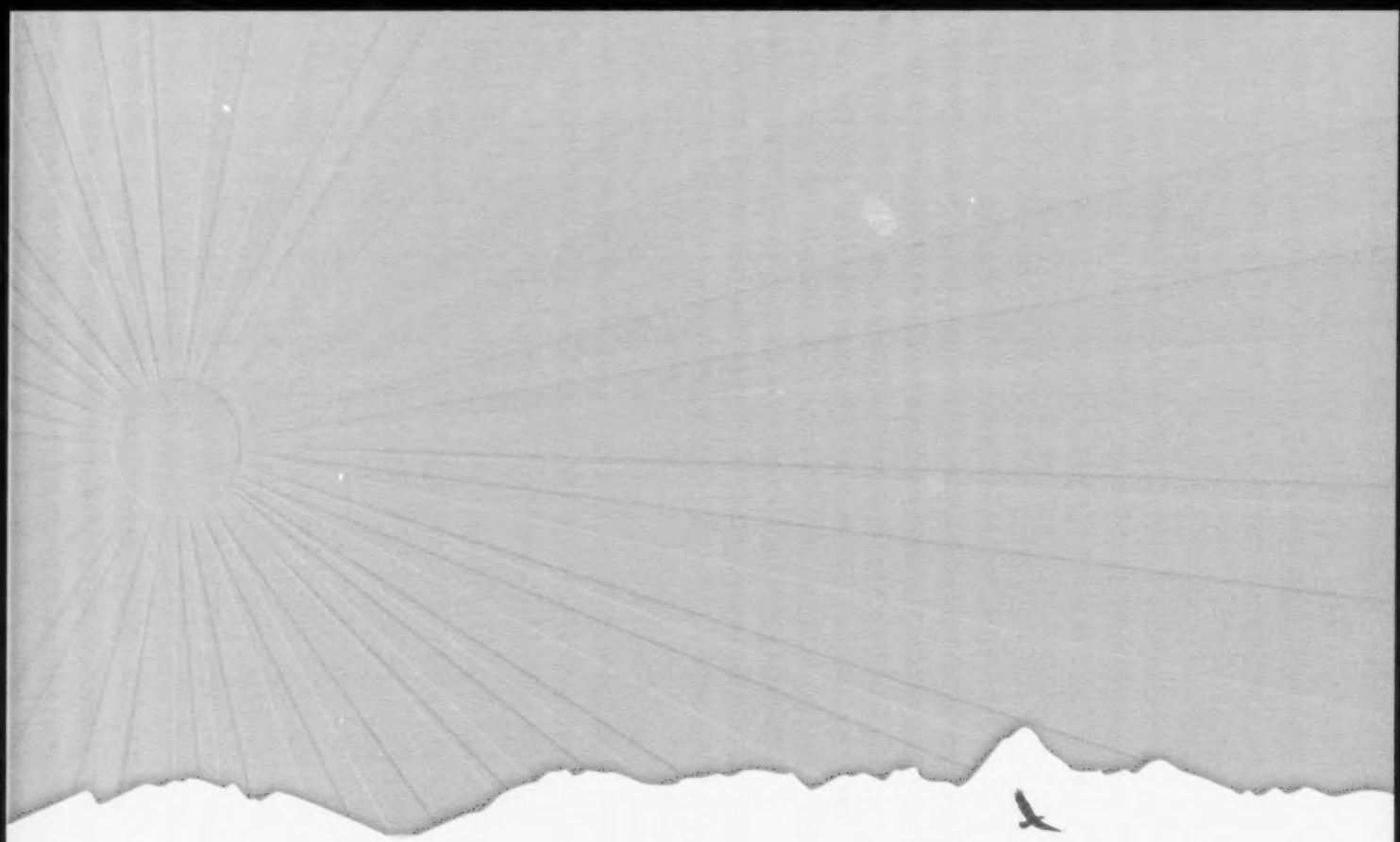

MOUNTAINS OF OPPORTUNITY
CRANBROOK

City of Cranbrook

2012 Annual Report

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DECLARATION AND IDENTIFICATION OF DISQUALIFIED COUNCIL MEMBERS
In accordance with Section 98(2)(e) of the *Community Charter,* there were no declarations of disqualification made under Section 111 of the *Community Charter* in the year 2012.

City of Cranbrook Overview

Cranbrook is a "real Canadian City", set in a spectacular landscape that enjoys an ideal Canadian climate; hot summers, snowy winters and blue sky.

Located in what is known as the Rocky Mountain Trench with the Rockies to the east and the Purcell Mountains to the west, Cranbrook is the largest municipality in southeast British Columbia, and the service centre for the East Kootenay region. Cranbrook boasts a first class hospital, an education infrastructure to postgraduate level, cultural and lifestyle amenities that include a symphony and a centre for performing arts, numerous and extensive sports facilities, and a broad range of employment and business opportunities.

Cranbrook was established as a townsite in 1898 with the arrival of the Canadian Pacific Railway and subsequently incorporated as a municipality in 1905. The City resides within the traditional territory of the Ktunaxa (pronounced "tu-na-ha") First Nation and is blessed with some of the most spectacular scenery to be found.

City of Cranbrook Wins FCM Award

The City of Cranbrook was the recipient of one of 11 awards in the **2012 FCM Sustainable Communities Awards Program**. The City was recognized in the Water category for the submission entitled **Waste Water Improvement Project (WWIP)**. The City's achievement was celebrated at an awards reception on February 8, 2012 during FCM's 2012 Sustainable Communities Conference and Trade Show held in Ottawa.

The City's success was shared with municipal governments across Canada and was profiled in a three-minute video and case study which was posted on the FCM's website.

Canadian Rockies International Airport Wins 2012 William Templeton Award

As a result of the business plan implementation, the British Columbia Aviation Council (BCAC) selected the Canadian Rockies International Airport (YXC) as the winner of the 2012 William Templeton Trophy. Nomination from the dean of aerospace at the British Columbia Institute of Technology (BCIT) drew attention to the work the airport has done in the three key pillars of sustainability (environment, economic and social). The airport was recognized for its work in aviation market development, community outreach and environmental initiatives. The trophy was presented to Tristen Chernove, Airport Managing Director, on October 25th at the BCAC Silver Wings Banquet in Vancouver.

2012 City Council

Councillor Sharon Cross

Councillor Angus Davis

Councillor Denise Pallesen

Councillor Diana Scott

Councillor Gerry Warner

Councillor Bob Whetham

2020 Vision Statement

In the Year 2020, the dynamic City of Cranbrook
proudly welcomes the world to Southeastern British Columbia,
the Kootenay region and the Canadian Rockies.
As the major transportation hub,
national and international visitors travel to Cranbrook
to access the region's world class recreation facilities,
utilize Southern British Columbia's finest travel and convention amenities,
and play on the region's most outstanding tournament facilities.
Investors and entrepreneurs have consolidated the City's financial,
commercial and industrial services role.
Residents enjoy an enviable lifestyle within a safe urban environment
that provides a wealth of opportunity for individual wellness, education and prosperity.
A rich cultural fabric complements a visually attractive urban form
set in a spectacular mountain environment.
Cranbrook has assumed a strong, progressive leadership role
within British Columbia based on sound fiscal management,
smart growth development, and wise asset reinvestment.

Mission Statement

The Council and Staff are committed to the
continuing development of the City of Cranbrook
as a successful and progressive community,
and to preserving, and further enhancing
the high quality of life enjoyed by the Citizens.
Council will be responsive to concerns
and provide an informed and committed leadership.
A competent, skilled staff of high integrity will use available resources
as efficiently as possible, providing high quality services
to meet the needs and address the concerns of residents and employers.
Council and Staff will work cooperatively
with the Citizens of the City of Cranbrook,
organizations within the community, other municipalities and
other levels of government in order to achieve
the maximum benefit for the community.

A Message From The Mayor

Mayor
Wayne L. Stetski

On behalf of Council, city staff and the citizens of Cranbrook, I am pleased to present our 2012 Annual Report.

What did I learn in my first full year as Mayor?

- the people of Cranbrook are great! They are passionate about our city and are generous with their time, resources, and ideas.
- good governance requires a holistic approach. We need to be equally concerned about our economy, all of the people who live here, and our environment.

What were some of the highlights in 2012?

- Our economy is stable. Compared to 2011, building permit values totalled $32,895,515, a 40% increase, Business Licences increased 12% to 1325, and 112,762 passengers used the Canadian Rockies International Airport, a 2% increase. Council adopted the Downtown Revitalization Tax Exemption Bylaw to encourage a better future for downtown Cranbrook.
- We made improvements for the disabled, for seniors, and for youth. We are encouraging the celebration of our cultural diversity and are actively working towards finding a permanent home for the arts. Council has taken the first steps in getting a Habitat for Humanity Project in Cranbrook. School zones are now safer with the reinstatement of 30 km/hr speed zones.
- Within the next year with the support of BC Hydro we will be hiring a Corporate Energy Manager to review our facilities and our bylaws to look for ways to save energy, reduce our Carbon Dioxide footprint and improve our environment. The very successful low flow toilet rebate program will be continued as will our other water conservation programs, including our cutting edge Water Loss Management Program. We will continue to fund removal of invasive weeds and ensure that Joseph Creek's environmental values are respected.

Staff and Council accomplished a wide variety of additional projects, a few of which are:

- Rezoning of the airport lands to allow development of a commercial/industrial park.
- Launching of the City's own smartphone app, a first of its kind in BC for marketing events and local retail/commercial and community services.
- Completing an Asset Management Investment Plan that summarizes the long term replacement costs and recommended replacement timing for the city's half billion dollars worth of assets.
- Connecting the new Fibre Optic network to all city departments.
- Renaming the Rec Plex as Western Financial Place, a 10 year agreement valued at $700,000. Major events at WFP included the Johnny Reid and Bob Dylan concerts and a Mixed Martial Arts event. The Kootenay Ice continue to bring excellent entertainment and fine hockey to our city as a Canadian Hockey League franchise.
- Cleaning up Cranbrook after the major windstorm in July. City crews spent five weeks hauling away tree limbs and stumps to help residents recover and rebuild their homes and properties.

My sincere thanks to all of those who contributed to making our city of close to 20,000 people a better place in 2012, including Council, city staff, service clubs, city committees, volunteers, businesses, and for-profit and not-for-profit organizations. Together we are building a better Cranbrook!

Mayor Wayne L. Stetski

2013 City of Cranbrook Business Plan (Major Corporate Initiatives)

Canadian Rockies International Airport
Major Initiatives - 2013

- Design Specification and Funding application for Airfield Electrical Upgrade
- Design and specification for crack repair in concrete portion of the Apron
- Apron repaving
- Spring cleaning broom attachment for Bobcat
- Install security door in restaurant
- Replace restaurant fridge freezer
- Install booster heater for dishwasher
- Replace electric fire pump
- Install four flag poles with river rock landscaping
- 15 Year Strategic Infrastructure Investment Capital Plan (2015 - 2029)
- 3 Year Capital Infrastructure Investment Plan (2015 – 2017)

Corporate Services
Major Initiatives - 2013

Communications

- City of Cranbrook website revamp project (carried over from 2012)
- Development and production of South Entrance Information Kiosk Panels
- City Event Calendar policy
- Reinstate City of Cranbrook Utility Bill Insert policy (carried over from 2012)
- Completion and adoption of Social Media policy and social media site launch (carried over from 2012)
- 2013 Low Flow Toilet Rebate program
- 2013 Water Conservation Education program
- 2013 Urban Deer Education program
- 2012 Annual Report production
- Anti-Littering education campaign
- City of Cranbrook Council highlights e-newsletter
- City of Cranbrook Half Page ads – template facelift

Planning

- Assist BC Transit in completion of Transit Service Review
- Prepare Secondary (Neighbourhood) Plan – North Sector Plan
- Complete New Sign Bylaw
- Complete Update of Official Community Plan
- Prepare Amendment of Official Community Plan to include Development Permit Area for the Canadian Rockies International Airport
- Prepare amendment of Land Use Application Bylaw to enable Joseph Creek development approval information requirement
- Zoning Review – Slaterville Neighbourhood
- Slaterville Neighbourhood Plan implementation: 4th & Hurry improvements; functional design review for Slater & Briar; Pop Price Park improvements
- Conversion of Official Community Plan mapping (CAD to GIS)

Bylaw, Policy and Research

- Council Procedure Bylaw
- Review and update of "Routinely Available Records" as now required by Provincial legislation
- Building Bylaw (adoption early in the year)
- Municipal Ticketing Information System Bylaw
- Bylaw Enforcement Notice Bylaw
- Regulatory Bylaw Enforcement and Penalty Amending Bylaw

- Reserve Bylaws review
- Frontage Tax
- Airport Parking and Business Control Bylaw
- Assist in development and implementation of Social Media Policy Development and implementation of City of Cranbrook website event calendar policy – ongoing

Records Management

- Provide ongoing records management support and training to other City departments including introduction of management of electronic files
- Scan and store in electronic searchable content all City Bylaws and Council packages
- Continued research and development of an electronic records management system
- Development of City records management email procedure
- ICSP Committee – Sustainability measurements
- Land Sales
- Joint Management Agreement between the St. Mary's Indian Band and the Corporation of the City of Cranbrook for the St. Mary's River Park
- 15 Year Strategic Infrastructure Investment Capital Plan (2015 - 2029)
- 3 Year Capital Infrastructure Investment Plan (2015 – 2017)

Cranbrook Public Library
Major Initiatives - 2013

- Begin to develop a plan on how the space within the Library will change in the future to accommodate the changing needs of our community
- Launch a new catalogue that will make it easier to find items, and give people the ability to share their reading recommendations with others
- Develop a public mobile technology gadget bar, where people can try out new technology, including a selection of library-related and educational apps
- Develop a relationship with the Chamber of Commerce and Downtown Business Association to promote the Library's resources for businesses
- Work more closely with the Columbia Basin Alliance for Literacy to develop programs that our two organizations can offer together to the public
- 15 Year Strategic Infrastructure Investment Capital Plan (2015 - 2029)
- 3 Year Capital Infrastructure Investment Plan (2015 – 2017)

Economic Development
Major Initiatives - 2013

- Continue roll-out and development of the Business Retention, Expansion & Attraction program
- Production of a new suite of promotional products including:
  - A comprehensive community profile
  - Doing Business in Cranbrook information kit
  - Business investment / attraction page for the web-site and smartphone app
- Complete upgrades to the smartphone app to improve its use and functionality
- In association with a targeted industrial land-use development / marketing strategy, undertake an analysis and land use plan to repurpose the old Highway 95A landfill site
- Undertake targeted work to improve the utilization of existing industrial lands

- Market the Airport Industrial Park for potential private sector development partners, subject to approval of the Development Permit Area designation for the proposed industrial park
- Undertake targeted work in support of downtown revitalization and improve downtown retail opportunities
- Continue work on the Municipal Fibre-Optic Broadband Network to enable access of private business and other agencies to the fibre system
- Undertake targeted marketing to promote Cranbrook and area. Print marketing in 2013 will focus on a limited number of specific publications including: Invest In BC, 2013 Travel Guide, RidersWest / SnowRiders
- Develop partnerships and collaborative approaches to marketing the region as a whole
- Support the Chamber of Commerce's efforts to establish a dedicated Tourism oriented marketing organization
- In partnership with the Chamber of Commerce, Downtown Business Association and other business interests, address issues to improve Cranbrook's competitive position and business climate
- Continue to advance the Asia Pacific Investment Initiative targeting Wonju, Korea and Taicang, China
- Continue development of an alternative energy-biomass sector for Cranbrook and the broader region
- Complete a review and updating of the Economic Development Strategy
- Review the Chamber of Commerce's "Barriers to Business" report with the Chamber and other business interests and implement actions to address priorities identified from the review
- Proceed with becoming a BizPal partner community
- Establish a membership for Cranbrook with 'BC One Call' service
- Support ICSP Committee in establishing indicators and measures
- Provide ongoing Economic Development information for business investment, entrepreneur development inquiries as they are received
- Continue to support Chamber of Commerce's Retail Committee on such initiatives as "Canadian Black Friday", "10 Percent Shift" / Buy Local Campaign and succession planning workshop for small business owners
- Continue to work with CAMAL/CMRT to improve sustainability and viability
- Continue to work with CDAC in the development of a long-term dedicated facility to house CDAC and serve as a centre for the visual arts
- 15 Year Strategic Infrastructure Investment Capital Plan (2015 - 2029)
- 3 Year Capital Infrastructure Investment Plan (2015 – 2017)

Engineering Services
Major Initiatives - 2013

- Complete development of GIS system within City
- Continue succession planning
- Complete robust self-administered in-house integrated capital planning model/tool to enhance City capital planning ability
- Commission WWIP – Phase 2 wastewater improvements (June 2013)

- Enhance control of new land development compliance with City bylaws and reduced carbon footprint objectives as outlined in OCP and ICSP and evolving Provincial policies
- Complete and implement the Drainage Study recommendations
- Initiate CityWorks PLL and PW Work Order systems as well as migrate Desktop to server AMS
- Complete Asset Management Infrastructure Plan
- Provide technical liaison function to Environment and Utilities Committee
- Construct three water monitoring wells at recommended locations within spray irrigation lands
- Prepare audit of new wastewater treatment and disposal systems per MOE direction
- Initiate registration of wastewater disposal systems under Municipal Wastewater Regulation (BC Wastewater Management Act)
- Assist Public Works with refurbishing of 3 deep water supply wells and seek water permit amendments to ensure proper well maintenance program maintained going forward
- Review Subdivision and Development Servicing Bylaw for currency
- Prepare DCC reporting to Province and recommend adoption to Council upon completion of Provincial review and acceptance of new rates and implementation strategy
- Initiate development guidelines manual for public distribution
- Initiate and recommend new Building Bylaw to incorporate 2012 BC Building Code requirements and update bylaw to reflect day current practices
- Roll out CityWorks software
- West/South Entrance (Elizabeth Lake) construction of entrance, parking lot upgrade and sign
- North/East Entrance (Kimberley Overpass) planning, upgrading of City sign
- 15 Year Strategic Infrastructure Investment Capital Plan (2015 - 2029)
- 3 Year Capital Infrastructure Investment Plan (2015 – 2017)

Finance & Computer Services
Major Initiatives - 2013

- Testing and implementation of Orange Digital Human Resources Information System and Payroll program for unionized staff, including biometric thumb scanners
- Complete negotiations of new CUPE (2090) Agreement
- Conduct recruitment for Director of Finance, Financial Services Manager, Energy Manager, Deputy Director of Fire and Emergency Services, and other vacant positions in the organization
- Work with City departments to implement CityWorks as corporate-wide work-management solution
- Review and update Reserve Fund Bylaws
- Review and update the City's frontage tax bylaw and consider frontage tax options
- Continue to measure and report carbon emissions, while working toward becoming carbon neutral
- Prepare for and implement the return to the GST/PST taxation model

- Continue to actively seek out and apply for grant funding opportunities through Federal, Provincial and other sources
- Continuation of support and encouragement of staff's pursuit of professional development opportunities in areas of payroll, finance, accounting and contract and procurement law
- Complete installation of monitoring equipment in all server rooms and Point of Presence
- Planning for records management and paperless agenda system is tentatively scheduled for 2013
- Implement new, robust e-Mail infrastructure. Estimated completion date is July 31, 2013
- Evaluate financial statement and year-end software for implementation at 2013 year-end
- Negotiate renewal of lease agreement with RCMP (current lease agreement expired December 2012)
- 15 Year Strategic Infrastructure Investment Capital Plan (2015 - 2029)
- 3 Year Capital Infrastructure Investment Plan (2015 – 2017)

Fire & Emergency Services
Major Initiatives - 2013

- Expand digital dispatch test model
- All staff to complete Blue Card Command training
- Modify CF&ES Emergency Incident Command & Management Model
- Develop a new succession plan for Chief and Deputy Chief replacement
- Develop a workplace compliance program
- Develop and implement a worker complaint/ recommendation system to support Kaizen elements
- Complete landscaping for fire hall
- Repair tower roof and replace tower gutters and repaint
- Commence development fire training ground
- Complete Fire Officer Level 1 program for level 3 staff
- Implement electronic fire inspection system
- All staff complete Level 1 Major Scene Management training
- 15 Year Strategic Infrastructure Investment Capital Plan (2015 - 2029)
- 3 Year Capital Infrastructure Investment Plan (2015 – 2017)

Leisure Services
Major Initiatives - 2013

- Completion of extension to link Rotary Way to the NorthStar Rails to Trails and downtown linkages to the Cranbrook Arches
- Completion of final surfacing/installation of nets at Mt. Baker Tennis Court facility
- Finalize operational agreement with the NorthStar Rails to Trails Society to maintain the NorthStar Rails to Trails
- Work with the Wellness and Heritage Committee to complete a review of the Leisure Services Fees and Charges Bylaw
- Complete playground equipment replacement at McKinnon Park
- Continue to work with the Cranbrook Home Run Society to identify opportunities on improvements to Confederation Park
- Develop plan to increase programming opportunities so department is full cost recovery

- Partner with Rocky Mountain Naturalists to conduct ongoing trail upgrades at Elizabeth Lake/Confederation Park
- Pursue four to six major concerts/events for Western Financial Place
- Aquatic Centre Lighting Replacement/ Upgrade Phase Two
- Develop options to replace high steel rigging with approved system
- Develop new aquatic programs to increase usage. Seek grant opportunities to fund Grade Three free swim lessons
- Pursue funding through TDGreenstreet to plant trees around the perimeter of Kinsmen Park
- Pursue partnerships and grant opportunities to begin Music in the Park initiative in Spirit Square
- Development of a Parks and Recreation Master Plan
- Curling Club agreement renewal
- Replacement of Western Financial Place Zamboni
- Replace equipment at Tot Park in Pinecrest area
- Work with Cranbrook Bike Park Society to complete bike park at Balment Park
- Partner with Interior Health, Healthy Community Initiatives to develop a list of community health priorities
- 15 Year Strategic Infrastructure Investment Capital Plan (2015 - 2029)
- 3 Year Capital Infrastructure Investment Plan (2015 – 2017)

Public Works
Major Initiatives - 2013

- Seal leaks in the tunnel under the Phillips Reservoir
- Connect the WWTIP SCADA data collections to the existing database
- Upgrade a City Hall washroom to enable handicap access and use
- Field confirm transportation, utility and parks related GIS information
- Upgrade control valves and instrumentation at pressure reduction stations
- Install two low maintenance 'deep' trash receptacles
- Implement the first pressure managed zone in the City's water distribution network
- Demolish building behind 40 – 10th Avenue South
- West/South entrance to Cranbrook - landscaping
- Clock Tower Square – reconstruction and landscaping
- Installation of remaining three bridges on Joseph Creek at Idlewild Park and Kinsmen greenbelt
- Paving in front of Access Centre on Cranbrook Street
- 15 Year Strategic Infrastructure Investment Capital Plan (2015 - 2029)
- 3 Year Capital Infrastructure Investment Plan (2015 – 2017)

Canadian Rockies International Airport

The Airport's vision is to provide affordable and competitive travel options to an increased domestic and international market through an expanded airport, while continuing to contribute to the economic growth and diversification of the region. The Airport's vision also works to serve the region by becoming the airport of choice and to provide the City of Cranbrook with a safe, friendly, clean, efficient and profitable airport with a local sense of place.

Cranbrook Airport Services Ltd. (CASL) is a subsidiary of Vantage Airport Group (formerly Vancouver Airport Services Ltd.). CASL has managed the airport on behalf of the Corporation of the City of Cranbrook since 1997. The Airport Management Agreement provides for the management and staffing of the airport including Commercial Lease Management, Financial Management, Administrative Support, Airport Operations, Airport Maintenance and Airport Marketing and Public Relations. All capital funding is approved by the City of Cranbrook and funded through the Airport Operating Fund and/or the Transport Canada Airports Capital Assistance Program.

The Airport developed five strategic objectives in 2012: Air Service Growth, Maximize Revenue Opportunities, Enhance Customer Satisfaction, Financial Stability, and Airport Development and Growth. CASL also began work on a sixth strategic objective; the development of an Enterprise Risk Management Plan. Actions to support our objectives included multi-media marketing activities, the implementation of passenger surveys, Airline meetings both in Canada and the U.S. and continued work to grow the visitor economy with sights set on the development of a Tourism Organization for Cranbrook.

As a result of the business plan implementation, the British Columbia Aviation Council (BCAC) selected the Canadian Rockies International Airport (YXC) as the winner of the 2012 William Templeton Trophy. Nomination from the dean of aerospace at the British Columbia Institute of Technology (BCIT) drew attention to the work the airport has done in the three key pillars of sustainability (environment, economic and social). The airport was recognized for its work in aviation market development, community outreach and environmental initiatives. The trophy was presented to Tristen Chernove, Airport Managing Director on October 25th at the BCAC Silver Wings Banquet in Vancouver.

The financial approach in 2012 was optimistic yet cautious, projecting a moderate profit. CASL followed through on the commitment to closely monitor regional trends and ensure profit centres and revenue opportunities were maximized, while taking a responsible approach to the financial management of all expenditures. As a result, the region and its partners have an operating airport that remains financially stable and self sustaining, adopting a long-term strategy of responsible planning towards growth and development of both aeronautical and non-aeronautical business. Total passenger traffic was up 2% over 2011 at 112,762. 77.2% of the annual passengers flew on Air Canada with the remainder supporting the Pacific Coastal service.

One outcome of the Air Service Development Plan was route expansion meetings with three international and three domestic airlines. Results include stronger relationships and growing interest from two U.S. carriers and adding Integra Air service to Edmonton to our list of scheduled air carriers until September 2012. Integra Air offered direct non-stop service to the Edmonton International Airport. As the service evolved through its tenure at YXC, Integra Air identified that a larger and more efficient aircraft would better serve the Edmonton route. The company decided to suspend the Edmonton service in September 2012 to focus efforts on obtaining a more suitable aircraft.

As part of the strategic objective to enhance customer satisfaction, BCIT Airport Operations practicum student, Alice Zhang, created and implemented an updated customer survey. Alice

spent two weeks at the airport and also assisted in submission of the ACAP application for the runway sweeper, and she conducted a review of non-aeronautical fees at airports throughout British Columbia. The practicum student experience was mutually beneficial and the airport will likely host another student in 2013.

Through the Transport Canada Federal Grant Program called the Airport Capital Assistance Program (ACAP) the airport completed the purchase of a new runway sweeper for winter snow removal. Other capital projects included the replacement of staff truck 20, the purchase of a new pavement line painter, and the repair and activation of a solar hot water system.

British Columbia is poised for significant air access development in the coming year and YXC is well positioned to feel the positive impacts. For years YXC has been working to gain market attention from WestJet and with the launch of WestJet Encore and the addition of Bombardier Q-400 aircraft to their fleet, WestJet will soon be receiving aircraft suitable to serve our market. With tremendous support from stakeholders throughout the Kootenay region, we have built a strong case for WestJet Encore service and anticipate the airlines new route announcements to be made in the first quarter of 2013. The airport recognizes the Provincial Government for the development of the recently published Aviation Strategy for British Columbia that acknowledges the importance of optimizing the aviation sector's long-term potential. Minister of Transportation and Infrastructure Mary Polak -"Aviation is critical to help bring new investment into our economy and to create and protect jobs for families in every region of the province. B.C. has the potential to be a pre-er inent aviation gateway between Asia and the Americas."

Setting the stage for future commercial development and creation of economic opportunities, an Airport Industrial Land Use Plan was completed in late 2010 resulting in the re-zoning of 52 acres of Airport Lands in 2012. In 2013 we will progress to the marketing stage and hope to capture the interest of potential anchor tenants looking to establish within the 52 acres of developable Airport lands.

The airport continues to be served by Air Canada Express and Pacific Coastal Airlines. We are striving to be the region's airport of choice.

Canadian Rockies International Airport Major Initiatives - 2013:

- Pending City approval, Capital Plan to include:
  - Design Specification and Funding application for Airfield Electrical Upgrade
  - Design and specification for crack repair in concrete portion of the Apron
  - Apron repaving
  - Spring cleaning broom attachment for Bobcat
  - Install security door in restaurant
  - Replace restaurant fridge freezer
  - Install booster heater for dishwasher
  - Replace electric fire pump
  - Install four flag poles with river rock landscaping

Canadian Rockies International Airport Major Initiatives - 2014:

- Capital Plan to include:
  - Construction of Airfield Electrical Upgrade
  - Repairs to concrete apron

Corporate Services

The Corporate Services department provides overall corporate administrative functions including support to Mayor and Council, fulfillment of statutory requirements, records management, and coordination of contracts/ agreements and property dispositions. Corporate Services is also responsible for planning for overall community development and the use of public transit.

Corporate Services staff oversees and maintains corporate records and communications while also providing support to the Mayor, Council and its Committees. This includes preparation and distribution of Council Agendas and the recording of Council Minutes as well as responsibility for the safekeeping of the minutes of the various select and standing Committees of Council.

Corporate Services staff is responsible for administering oaths, taking affirmations, affidavits and declarations as required by the *Community Charter, Local Government Act* and other legislation affecting the municipality. Other administrative functions include certifying copies of bylaws and documents as well as accepting notices and documents required or permitted to be given to, served on or otherwise provided to Council or the municipality.

Corporate Services also receives and coordinates responses to requests for information under the Freedom of Information and Protection of Privacy legislation as required.

Community planning and development services, policy and research, public transit and City land sales, leases and agreements also fall under the responsibility of Corporate Services, along with bylaw enforcement and business licensing.

Corporate Services coordinates the general local elections of Council and School District No. 5 as well as processes requiring elector approval by referendum or alternative approval process.

Positions within Corporate Services include: the Director of Corporate Services, Municipal Clerk, Communications Officer, Community Planners (one permanent Senior Planner position and one temporary Community Planner position), Policy Analyst, Bylaw Enforcement and Licensing, Parking Meter Attendant, Executive Assistant to the Mayor, Executive Assistant to the Chief Administrative Officer and an Administrative Assistant.

Highlights of Corporate Services activity in 2012 included:

Communications

- Began regular posting of video recordings of most recent City Council meeting on City website
- Review and update Corporate Communications Strategy
- 2012 Water Conservation Education program
- 2012 Low Flow Toilet Rebate program
- Creation of 2011 Annual Report, Five Year Financial Plan and Interim Financial Plan Report documents

Planning

- Adoption of Downtown Revitalization Tax Exemption Program Bylaw
- Assisted in facilitating implementation of the Integrated Community Sustainability Plan (ICSP)for Cranbrook
- Adoption of new Airport Zone to facilitate economic development of Airport lands for commercial and industrial purposes
- Completion of a draft Sign Bylaw for review
- Update of the Official Community Plan and completion of draft amendment for review
- Adoption of new Zoning Bylaw (Consolidation)
- Adoption of Slaterville Neighbourhood Plan as part of the Official Community Plan and implementation of traffic management improvements including traffic calming on Briar Avenue; pedestrian crosswalk improvements; and functional design for improvement of 4th Street and Hurry Avenue

- Adoption of Zoning Amendment Bylaw to add a new Residential Cluster Zone
- Completion of Electronic Sign Policy
- Provided day-to-day planning and development services and administered development approval processes through Council.
- Initiation of Transit Service Review in cooperation with BC Transit

Bylaw, Policy and Research

- Cemetery Amendment Bylaw
- Solid Waste Collection and Disposal Bylaw
- Development Cost Charge Reserve Bylaw
- Development Cost Charge Bylaw (awaiting approval from Inspector of Municipalities)
- Animal Control Amendment Bylaw (fees)
- Commemorative Policy
- Committee recruitment and organization
- Assistance with Leisure Services Fees and Charges Amendment Bylaw

Records Management

- Implemented Fourth Edition 2012 LGMA Records Management Manual
- Initiated repairs and modifications to City Hall Vault which houses the City's original Bylaws, Minutes and other vital documents
- Assisted in the culling, classification and eventual destruction of old archived records stored at the Airport
- Provided on-going records management support and training to City staff, including records destruction process
- Reviewed and researched the process of storing electronic files (Bylaws, Minutes and Agendas) on the City website and City server in an effort to streamline the procedure and provide maximum searching capabilities
- Continued Forms Management which included designing and revising various forms in electronic fillable format available on the City website
- Maintained and reviewed City Agreements and Leases including renewal reminders and storing and archiving files

Corporate Services
Major Initiatives - 2013:

Communications:

- City of Cranbrook website revamp project (carried over from 2012)
- Development and production of South Entrance Information Kiosk Panels
- City Event Calendar policy
- Reinstate City of Cranbrook Utility Bill Insert policy (carried over from 2012)
- Completion and adoption of Social Media policy and social media site launch (carried over from 2012)
- 2013 Low Flow Toilet Rebate program
- 2013 Water Conservation Education program
- 2013 Urban Deer Education program
- 2012 Annual Report production
- Anti-Littering education campaign
- City of Cranbrook Council highlights e-newsletter
- City of Cranbrook Half Page ads – template face lift

Planning:

- Assist BC Transit in completion of Transit Service Review
- Prepare Secondary (Neighbourhood) Plan – North Sector Plan
- Complete New Sign Bylaw
- Complete Update of Official Community Plan
- Prepare Amendment of Official Community Plan to include Development Permit Area for the Canadian Rockies International Airport
- Zoning Review – Slaterville Neighbourhood

Corporate Services (Continued)

- Slaterville Neighbourhood Plan implementation: 4th & Hurry improvements; functional design review for Slater & Briar; Pop Price Park improvements
- Conversion of Official Community Plan mapping (CAD to GIS)

Bylaw, Policy and Research
- Council Procedure Bylaw
- Review and update of "Routinely Available Records" as now required by Provincial legislation
- Building Bylaw (adoption early in the year)
- Municipal Ticketing Information System Bylaw
- Bylaw Enforcement Notice Bylaw
- Regulatory Bylaw Enforcement and Penalty Amending Bylaw
- Reserve Bylaws review
- Frontage Tax
- Airport Parking and Business Control Bylaw
- Assist in development and implementation of Social Media Policy Development and implementation of City of Cranbrook website event calendar policy – ongoing
- Implement a Bylaw Notice Adjudication System which will enhance enforcement authorities and allow for compliance agreements as a path to resolution, without having to utilize court process
- Utilize systems currently in place to collect unpaid fines for parking and other bylaw violations, thereby increasing revenue and improving the integrity and credibility of bylaw services provided.

Records Management
- Provide ongoing records management support and training to other City departments including introduction of management of electronic files
- Scan and store in electronic searchable content all City Bylaws and Council packages
- Continued research and development of an electronic records management system
- Development of City records management email procedure

Corporate Services
Major Initiatives - 2014:

It is anticipated that there may be a carryover of some of the major initiatives between years as well as the addition of new projects and priorities as they are identified through the course of 2013 and 2014.

Communications
- Water Conservation Education program
- Low Flow Toilet Rebate program (budget pending)
- Urban Deer Education program
- Annual Report production

Planning
- Secondary Dwelling Units
- Urban Agriculture Plan (basic plan to deal with community gardens, chickens, or other urban agricultural ideas)
- Commercial and Industrial Development strategy
- Comprehensive review of Zoning Bylaw

Bylaw, Policy and Research
- Fees and Charges Bylaw
- Streets and Traffic Bylaw
- Waterworks Bylaw
- Parks and Recreation Bylaw
- Increase the two Bylaw Services Officer positions from .8 to full time hours
- Equip Bylaw Officers with hand held ticketing dispensers which retain a database to track repeat offenders without having to return to City Hall for information. Access to portable information will allow officers to tow vehicles in cases where previous tickets have not been paid

Records Management
- Provide ongoing records management support and training
- Implementation of electronic records management system

Cranbrook Public Library

Opening Hours
One of the Cranbrook Public Library's long-term goals came to fruition on 4 September 2012 when its opening hours changed to seven day operations. As a result of these changes, the Library is now also open on long weekends giving residents unprecedented access to its services. As a result of this change, the Library is now the sixth most open public library in British Columbia.

Increasing Visibility
The Library and the services it offers have changed dramatically over the past few years and the way the Library marketed itself had to change as well, with a focus on social media and direct marketing within our community. The Library's Facebook page and Twitter account promote its programs and services online, while an advertisement in the Canadian Museum of Rail Travel's Heritage Map will inform visitors of its services in a more traditional format.

Programs for Adults & Seniors
The perennially popular computer basics course for seniors continued to be offered in partnership with the Columbia Basin Alliance for Literacy, with an additional course getting added for adults. One-on-one computers training sessions give people a personalized opportunity to learn about specific topics, everything from how to download eBooks to how to download apps onto an iPad.

The adult summer reading club expanded last year to include regular weekly programs in addition to offering reading passports for people to complete on their own. Several scrapbooking weekends and evenings were held in the spring and autumn. In addition to giving local scrapbook enthusiasts a venue to share ideas and work on projects together, participants got to tour the library and learn about the resources available for crafters.

At the end of the year, the permanent display of historical photographs expanded with the addition of another 11 images that highlight scenes of life in the early days of Cranbrook and the surrounding area.

Diverse Collections
As the demand for eBooks and other online resources continues to increase so do the Library's collections in these formats. Zinio is an online magazine service that delivers over 1000 magazines directly to a person's computer, smart phone or mobile device just as they are published in print, plus exclusive features like video, audio and live links. Available titles cover interests like home, fitness, garden, news, art, design, politics, science, plus much more.

People increasingly borrowed eBooks in 2012. Public libraries throughout BC and Canada continue to work with publishers to ensure people have a large selection of titles to choose from.

Strategic Plan
In November, the Library Board adopted a new 5-year strategic plan. The central theme of the new plan is to ensure that the Library is where people will go to explore ideas, socialize or relax. It will do so by working with others to offer informative and relevant programs and services, seeking out innovative approaches to provide up-to-date access to information in the formats people desire and getting out into our community to provide services where people are.

Cranbrook Public Library Major Initiatives - 2013:

- Begin to develop a plan on how the space within the Library will change in the future to accommodate the changing needs of our community
- Launch a new catalogue that will make it easier to find items and give people the ability to share their reading recommendations to others
- Develop a public mobile technology gadget bar, where people can try out new technology including a selection of library related and educational apps
- Develop a relationship with the Chamber of Commerce and Downtown Business Association to promote the Library's resources for businesses
- Work more closely with the Columbia Basin Alliance for Literacy to develop programs that our two organizations can offer together to the public

Economic Development

The mandate of Economic Development for the City of Cranbrook focuses on developing a diverse and resilient economy for the city and surrounding area. Specifically Economic Development aims to:

- create a healthy & vibrant business environment
- "weather-proof" our community's economy
- support the creation of stable good jobs

Specific areas of activity undertaken as part of the City's Economic Development efforts include:

- business retention, expansion and attraction
- identification and development of strategic economic infrastructure, including downtown revitalization
- general and targeted community marketing (including tourism), industrial land and airport lands
- promotion and brokering of economic opportunities, and
- economic planning, research and liaison functions with local and senior government partners.

In undertaking Economic Development the City recognizes the important role Cranbrook plays as a regional service centre. As such, many of the Economic Development initiatives undertaken by Cranbrook are done from a collaborative perspective with our neighbouring communities in mind. The City's economic function is also intended to assist the City to deal effectively with increasingly complex economic development issues.

Administrative responsibility for Economic Development is assigned to the Business & Economic Development Manager (also referred to as the Economic Development Manager or Officer) who reports directly to the Chief Administrative Officer.

Broad direction for the Economic Development Manager efforts is provided through the City's 2010 to 2014 Economic Development Strategy. This direction is complemented by input provided through an eight-person economic development advisory committee established in 2011. The advisory committee is a committee of Council and consists of one Council Member, one committee member representing the education sector and six committee members at large representing various sectors of our economy.

Economic Development 2012 Achievements

- Supported the amendment of the Zoning Bylaw for the Airport Zone to enable development of a Light Industrial / Commercial Park at the Canadian Rockies International Airport.
- Developed an agreement with the St. Mary's Indian Band to provide for the development of a road / utility corridor across the airport lands in order to facilitate the Band's interests in development of their land adjacent to the airport proper. This is in keeping with the goal for a complementary approach to the development of the City-owned and Band-owned parcels.
- As part of the City's Asia Pacific Investment Initiative, sponsored by the Government of BC, undertook a fact-finding mission to the cities of Wonju, Republic of Korea, and Taicang, Peoples Republic of China, for the purposes of fostering economic / trade / cultural ties between Cranbrook and Asia.
- Established a Memorandum of Understanding with Taicang, China, to develop a formal relationship between Taicang and Cranbrook.
- Hosted a delegation of senior officials from Wonju, Korea, as part of the City's efforts to establish a formal travel/trade/investment relationship with Wonju.
- Participated in a fact-finding visit to Cranbrook by the nine foreign trade & investment representatives who staff the province's international offices in Asia, Europe and the United States.
- In cooperation with our regional partners, led the ongoing development of an alternative energy -biomass sector. As part of this initiative established a formal relationship with a private partner to help advance this

initiative over the next year.

- In partnership with the Economic Development Association of BC (EDABC) and local / regional partners, began implementation of a new Business Retention, Expansion & Attraction program (BREA) for Cranbrook.
- In partnership with the Government of BC and EDABC, helped roll-out the new business investment site called "Opportunities BC". The site enables the listing and promotion of local business investment and commercial property opportunities to provincial, national and international investors and entrepreneurs.
- Continued work to improve deployment of the Municipal Fibre-Optic Broadband Network to enable access of private business and other agencies to the fibre system and developed an approach to expand the reach of the network with our regional partners to enable the provision of fibre optic service to the planned airport light industrial / commercial park.
- Undertake targeted print marketing to promote Cranbrook and area. Products in 2012 included promotions in: the 2012 edition of "Invest In BC" magazine, Kootenay Rockies 2012 Travel Guide, the 2012 edition of "Where in the Rockies" publication, and the spring / fall editions of Koocanusa Publications' "RidersWest" and "SnowRiders" magazines.
- Rolled out the City's new Smartphone App designed as a primary promotion, information and investment tool for Cranbrook.
- Develop partnerships and collaborative approaches to marketing the region as a whole.

Economic Development
Major Initiatives - 2013:

- Continue roll-out and development of the Business Retention, Expansion & Attraction program
- Production of a new suite of promotional products including:
  - A comprehensive community profile
  - Doing Business in Cranbrook information kit
  - Business Investment / attraction page for the web-site and smart-phone app
- Complete upgrades to the smart-phone app to improve its use and functionality
- In association with a targeted industrial land-use development / marketing strategy, undertake an analysis and land use plan to repurpose the old Highway 95A landfill site
- Undertake targeted work to improve the utilization of existing industrial lands
- Market the Airport Industrial Park for potential private sector development partners, subject to approval of the Development Permit Area designation for the proposed industrial park
- Undertake targeted work in support of downtown revitalization and improve downtown retail opportunities
- Continue work on the Municipal Fibre-Optic Broadband Network to enable access of private business and other agencies to the fibre system
- Undertake targeted marketing to promote Cranbrook and area. Print marketing in 2013 will focus on a limited number of specific publications including: Invest In BC, 2013 Travel Guide, RidersWest / SnowRiders
- Support the Chamber of Commerce's efforts to establish a dedicated Tourism oriented marketing organization
- In partnership with the Chamber of Commerce, Downtown Business Association and other business interests, address issues to improve Cranbrook's competitive position and business climate
- Continue to advance the Asia Pacific Investment Initiative targeting Wonju, Korea and Taicang, China
- Continue development of an alternative energy-biomass sector for Cranbrook and the broader region
- Complete a review and updating of the Economic Development Strategy

Engineering Services

Engineering Services Department provides capital planning for, and management of, all City owned linear infrastructure assets including design and contract management of linear infrastructure improvements and expansion. The department maintains record information for reference purposes and maintains current comprehensive information on infrastructure asset condition. The City GIS systems are continually updated and maintained by the department for use and reference by all departments. Building inspection services are provided by the department and are legislated under the BC Building Code. The department administers sales of interment lots and associated records of interments in City cemeteries. All new land developments within the City are managed and administered through the department as the Approving Authority including development cost charges. The department provides traffic engineering services and provides general engineering advice to Council, City Administration and the public.

The overall management of Engineering Services department is provided by the Director of Engineering Services/City Engineer. The Department's service responsibilities are provided by a total staff of seven: City Engineer/ Approving Officer, Deputy City Engineer, Administrative Assistant, Project Manager, GIS Coordinator, Building Inspector and the Engineering Clerk/Assistant Approving Officer.

In addition to responsibility for the overall management of the Engineering Department, the City Engineer is also responsible for approvals and administration of all new land development within the City. The Deputy Engineer is responsible for design work related to City infrastructure, policy and procedure development, construction contract administration and provides department management in the absence of the City Engineer. The Project Manager has primary responsibility for construction/contract management of capital work as well as for inspection compliance related to construction of future City infrastructure assets within new land developments. This position also advises the Cranbrook in Motion Committee on street and traffic operations on an as requested basis. The GIS Coordinator is responsible for development and maintenance of City GIS systems. This position also develops GIS application policy and training needs to ensure City staff are proficient in the use of GIS systems. The GIS Coordinator and the Engineering Clerk coordinate with outside agencies to resolve and update any addressing issues within the City. The Building Inspector assisted by the Engineering Clerk, processes, reviews and issues building permits for all buildings and structures constructed or altered within the City. This ensures that the construction or alterations provide for the safety of the public by meeting standards as set out in the BC and National Building Codes and the related guidelines. The Building Inspector also reviews applications for, and issues permits for, all new or altered signs within the City, ensuring compliance with City Bylaw requirements. The Engineering Clerk also provides support to the City Engineer in processing subdivision applications within the City. The Engineering Clerk also assists applicants with questions concerning the development and building permit application process. The department's day to day administration, records management functions and reception duties are provided by the Administrative Assistant. This position also maintains records of the City cemeteries interment plots and administers the sales of plots on a demand basis.

The Engineering Department staff also act as liaisons to various committees. The City Engineer and the Engineering Clerk attend the Environment and Utilities Committee meetings where the City Engineer provides information and feedback to the committee and the Engineering Clerk provides administrative support. The Engineering Clerk also attends, organizes and provides administrative support to the Board of Variance committee. The Deputy City Engineer attends the Highway 3/95 Committee to provide information, feedback and support. The

Engineering Clerk will also be providing feedback and information to the City's Downtown Revitalization Committee when it is formed.

Engineering Service 2012 Accomplishments: The Wastewater Treatment and Disposal Improvement Project achieved substantial completion and commissioning of the majority of planned works as of Dec. 31, 2012. Upgrade work comprised of 16 different and unique components within a complex and detailed sewage treatment and disposal system ranging from construction of a new treated effluent storage pond (Pond #3 - a 1,000,000 cubic metre facility) and centralized computer control of spray irrigation equipment (28 irrigation pivots over 2500 Hectares of irrigated lands – all spray operations can now be controlled from a Smartphone) to the installation of a 550 mm diameter outfall pipeline from the site to a sewage diffuser structure located on the bed of the Kootenay River. Upgrading also included the construction of 2 UV disinfection facilities, upgrades to the existing main irrigation pump station, upgrades to and expansion of a sewage transfer pump station located at the sewage treatment facility within the City (3 cell lagoon facility), installation of a trash screening unit upstream of the transfer pump station, installation of high efficiency aeration systems within the three sewage lagoon treatment cells and within one of the large treated sewage effluent holding/storage ponds at the spray irrigation site together with high volume air blower stations to supply air to the aeration systems and a comprehensive supervisory control and data acquisition system (SCADA) designed to permit remote operation monitoring and process control to sewage treatment and disposal operators. Completed in 2012 was the replacement of 5.2 km of a 9 km transfer pipeline between the treatment lagoon facility in the City and effluent storage/holding ponds at the spray irrigation site. The pipeline replacement also included installation of 23 combination air/ vacuum release valves strategically located along the pipeline to control transient internal air and vacuum conditions to ensure that pipe integrity and design flow conditions could be achieved. The four year, $30,000,000 project will be fully completed and commissioned by June 2013 and will provide the City with 20 to 25 years of growth capacity. The system in total achieves a high quality treated effluent that meets or exceeds all current Provincial and Federal Government criteria for application of treated sewage to land or discharge to surface waters. Cranbrook is one of a few communities across the country that now meets Federal environmental guidelines as published in 2010. The project has been recognized for its sustainable excellence by the BC Association of Professional Engineers and Geophysicists (2012) and the Federation of Canadian Municipalities (FCM – Green Sustainability Award 2012). The department will now focus on leveraging the City's sewage disposal facility as a Centre of Excellence related to the study and development of improved sewage to land applications through associations with private sector and public educational institutions seeking opportunities for post graduate research into sewage to land applications and technology and development of pilot installations to develop better treatment outcomes and expand associated science of sewage treatment processes.

The Capital Roads program successfully completed the reconstruction of 2A Street from 17th Avenue to 20th Avenue. This included the installation of new water mains, fire hydrants, valves and services to the residences. It also included installation of a new sanitary sewer main and services for the residences by replacing deteriorated existing underground infrastructure systems. The road base was completely rebuilt with engineered fill, geotextile and then repaved. New sidewalks were also installed. Improvements to the storm water systems were completed as well which has significantly improved drainage on street. A second phase of the planned reconstruction of 14th Ave South between South Hill Drive and 10th Street

Engineering Services (Continued)

South was completed between 12th Street to 13th Street with the installation of improved storm water systems, sewer systems, street lighting improvements, sidewalk reconstruction, installation of a multiuse pathway and the storm water bioswale to improve the aesthetics of the street and to greatly reduce the storm water flow and velocity. This work on 14th Avenue included the paving of the top lift on the section from 10th Street to 12th Street South (Phase 1 completed in 2011).

Reconstruction of 4th Avenue South and 12th Street from 5th Avenue to Larch Drive (including the three cul-de-sacs) included the installation of new water mains, fire hydrants, valves and services to the residences. It also included installation of a new sanitary sewer main and services for the residences due to the deteriorated condition of the existing water line. The road was completely rebuilt with engineered fill, geotextile and then repaved. New sidewalks were also installed. Improvements to the storm water systems were completed as well and significantly improved the drainage on street.

Other work included the repaving of 1st Street South from 9th Ave to 11th Ave. This included the installation of a glass grid product between the two lifts of pavement to eliminate any potential transfer cracking from the old deteriorated concrete located below the surface, repaving of 21st Avenue North from 12th Street North to Kootenay Street including some storm water management improvements on 12th Street North and paving the intersection and portions of 12th Street North, sidewalk replacement on 1st Street South from 12th Ave to 14th Ave, paving of two sections of pathway in Mount Royal with some significant rock work and sloping on the one section.

The Engineering Services Department worked with Leisure Services to undertake planning of a pathway linkage from the termination of the NorthStar Rails to Trails Pathway (that ends at McPhee Road) to connect with the Rotary Trail pathway system within the City of Cranbrook. This work is tentatively planned for construction in 2013. With Leisure Services we completed the reconstruction and repaving of the Mt. Baker Tennis Courts. This included the installation of over 1.5 meters of engineered fill and special asphalt for the tennis courts. The painting of the courts and the installation of the nets will take place in the spring of 2013.

A total of 258 building permits were issued with a value of $32,895,515. There were eight Subdivision applications in 2012.

In conjunction with the CityWorks program and the move toward digitally accessible information, the GIS Coordinator has had all existing as-built drawings (servicing for subdivisions and roads program) scanned to PDF's so that all staff will now be able to view them from their desk tops. The department is incorporating the requirement for all new servicing drawings for subdivisions and road improvements to be received in both paper and digital format for the inclusion into the GIS system. The 2012 Roads program data was collected using GPS Trimble units and includes condition rating and photographs which are all viewable in the GIS system. A GIS/Asset management workshop was held in the fall of 2012 to assess current business workflows and business needs within the City with input received from all departments. A five year road map for implementing selected tasks using CityWorks program for all service requests and work orders was developed as a result of the workshop and will be the framework for budget planning related to office automation and work tracking/reporting over the next several years. The GIS coordinator also launched an internal mapping capability within the Engineering Department (deploying Geocortex, a GIS tool) which allows staff to create maps, property reports and perform searches using the most up to date GIS data. The GIS coordinator and the Engineering Clerk have met with other outside agencies (MOTI & BC Assessment) to strengthen cross agency relationships and improve information access.

Engineering Services
Major Initiatives - 2013:

- Complete development of GIS system within City
- Continue succession planning
- Complete robust self administered in-house integrated capital planning model/tool to enhance City capital planning ability
- Commission WWIP – Phase 2 wastewater improvements (June 2013)
- Enhance control of new land development compliance with City bylaws and reduced carbon footprint objectives as outlined in OCP and ICSP and evolving Provincial policies
- Complete and implement the Drainage Study recommendations
- Initiate CityWorks PLL and PW Work Order systems as well as migrate Desktop to server AMS
- Develop asset management infrastructure financial model (AMIFM)
- Provide technical liaison function to Environment and Utilities Committee
- Construct three water monitoring wells at recommended locations within spray irrigation lands
- Prepare audit of new wastewater treatment and disposal systems per MOE direction
- Initiate registration of wastewater disposal systems under Municipal Wastewater Regulation (BC Wastewater Management Act)
- Assist Public Works with refurbishing of three deep water supply wells and seek water permit amendments to ensure proper well maintenance program maintained
- Review Subdivision and Development Servicing Bylaw for currency
- Prepare DCC reporting to Province and recommend adoption to Council upon completion of Provincial review and acceptance of new rates and implementation strategy
- Initiate development guidelines manual for public distribution
- Initiate and recommend new Building Bylaw to incorporate 2012 BC Building Code requirements and update bylaw to reflect day current practices
- Roll out CityWorks software
- Construct the $8.5M wastewater improvement capital project (WWIP Ph - additional work awarded in 2012) to achieve substantial completion of the additional project works by June 2013

Engineering Services
Major Initiatives - 2014:

- Continue to build out linear infrastructure asset databases, (replacement unit costs, lengths, diameters, age etc.)
- Continue to build a robust priorities based capital planning model to develop most cost effective capital rehabilitation strategies to reduce infrastructure gap (deficiency backlogs) based on Council set levels of service objectives
- Manage and implement 2014 Capital Road Infrastructure Program (design, prepare contract document, tender and construct rehabilitation of approximately 3 km of roads, 2 km of water main replacement and 3 km of Sanitary Sewer Relining)
- Develop succession plans for Engineering Services staff (City Engineer, Deputy City Engineer and Administrative Assistant)
- Continue to build on the GIS system and develop a corporation wide asset that can be accessed and used by all
- Complete and implement the Drainage Study recommendations
- Undertake a comprehensive roadway corridor assessment for capital roads planning purposes during period 2013 -2017
- Prepare comprehensive asset management investment planning model (AMIP)

Finance and Computer Services Department

The Finance Department administers the public financial resources of the City. The primary function of the Finance Department is to provide financial management information to City Council, staff and the public. Department personnel process daily financial and accounting transactions, implement and monitor internal control procedures, order goods and services, and tender major projects.

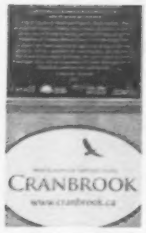
According to the British Columbia *Community Charter*, the City is required to adopt a Five Year Financial Plan annually. This long-term approach to financial planning allows Council and the community to consider the impact that the current decisions will have on future financial matters. The Plan is updated each spring, prior to setting the tax rates, to reflect any changes that have occurred since the last Plan was adopted. In 2012, the Department prepared the Five Year Financial Plan for Council's consideration, prepared six month interim management reports and budget analysis, as well as the annual financial reports.

The Finance Department manages the Human Resources function for the Corporation including recruitment, compensation policies and practices, payroll, administration of collective agreements, educational and training programs, employee benefits, and ensures a safe and healthy workplace through safety and wellness programs.

In any given year, $10 to $20 million will be spent on a variety of capital acquisitions and projects, and the repair and maintenance of our infrastructure. The Purchasing Division is responsible for acquiring goods and services and managing the disposal of surplus material in a responsible, professional and cost-effective manner.

Our IT division is committed to providing a computing environment that supports the decision making process and facilitates the use of information by staff and residents of Cranbrook.

Positions within the Finance and Computer Services Department include: Director of Finance and Computer Services, Deputy Director of Finance and Computer Services, Financial Services Manager, Financial Analyst, Tax & Accounts Receivable Clerk, Accounts Payable/ Cashier, Finance Secretary, Clerk/Cashier, Receptionist, Human Resources Manager, Compensation and Benefits Coordinator, Human Resources Clerk, Information Systems Manager, Systems Administrator, and Computer Support Specialist (Help Desk).



Finance and Computer Services
Highlights of 2012:

- Initiated use of the Province's SMARTTool program to measure and report the City's annual carbon emissions
- Administered grant funding applications and prepared claims on several large projects including:
  - Waste Water Improvement Project
  - Fire Mitigation Projects
  - Cycle/Walk Trail Extension Project
  - Airport Equipment Replacement
- Implemented Orange Digital Payroll and Human Resources software program for Exempt staff
  - Union payroll is still processed through predecessor software (Canpay) pending favourable results of exempt staff processing
- Reached a new collective agreement between the City and IAFF Local 1253 for the period of January 1, 2009 to December 31, 2014
- Provided assistance to City departments on significant capital projects (securing grant funding, borrowing, purchasing, monitoring, and reporting)
- Completed all core functions of new telephone system in 2012. Some additional features to be added over the next two years as resources permit
- Relocated website servers to City Hall:
  - Completed on-line ticket sales portion of the website; testing scheduled for 1st quarter of 2013

- Completed the appropriate switch and router programming for the webservers and on-line ticket sales (these are two separate projects)

- IT Staff worked with a Juniper recommended programming team to program all switching gear required for the fibre optic network
- IT collaborated with a local vendor to program the edge router connecting the City to the Internet
- IT initiated the implementation of monitoring equipment in all server rooms and Point of Presence locations
- Continued to provide additional functionality to the dispatch and management modules under the Fire Department Management (FDM) system
- Completed Shared Workspace for out-lying fire departments contracting with City Fire Services
- Completed the core work for the BC Ambulance Gateway Interface
- Redesigned the City's Property Tax Notice
- Updated Facility Booking hardware and software for Western Financial Place;Continued with replacement of older technology per established IT plan
- Develop and implement annual performance plans for Exempt staff

Finance and Computer Services
Major Initiatives - 2013:

- Testing and implementation of Orange Digital Human Resources Information System and Payroll program for unionized staff, including biometric thumb scanners
- Complete negotiations of new CUPE (2090) Agreement
- Conduct recruitment for Director of Finance, Financial Services Manager, Energy Manager, Deputy Director of Fire and Emergency Services, and other vacant positions in the organization
- Work with City departments to implement CityWorks as corporate-wide work-management solution
- Review and update Reserve Fund Bylaws
- Review and update the City's frontage tax bylaw and consider frontage tax options
- Continue to measure and report carbon emissions, while working toward becoming carbon neutral
- Prepare for and implement the return to the GST/PST taxation model
- Continue to actively seek out and apply for grant funding opportunities through Federal, Provincial and other sources
- Prepare new policy on grants to organizations
- Continuation of support and encouragement of staff's pursuit of professional development opportunities in areas of payroll, finance, accounting and contract and procurement law
- Complete installation of monitoring equipment in all server rooms and Point of Presence
- Planning for records management and paperless agenda system has been tentatively scheduled for 2013
- Implement new, robust e-Mail infrastructure. Estimated completion date is July 31, 2013
- Evaluate the benefits of moving to new bulk fuel supplier through UBCM program
- Evaluate financial statement and year-end software for implementation at 2013 year-end
- Negotiate renewal of lease agreement with RCMP (current lease agreement expired December 2012)

Finance and Computer Services
Major Initiatives - 2014:

- Review and recommend updates to Human Resources policies
- Develop and implement annual performance plans for Exempt staff
- Coordinate Finance's Tangible Capital Asset module with Engineering's Asset Management system

Fire and Emergency Services Department

Cranbrook Fire & Emergency Services' mission is to provide efficient, professional emergency response and prevention services to our community. Further, we strive to build and maintain a positive work environment and support personal and team initiative in service delivery.

Cranbrook Fire & Emergency Services provides emergency service to approximately 24,000 residents within the City of Cranbrook and contract service areas within the Regional District of East Kootenay. We are a composite department consisting of 23 career and 10 auxiliary members. The organization consists of the Director, Deputy Director, Secretary/ Dispatcher, four Captains, Training Coordinator, Fire Prevention Coordinator and 14 fire fighters.

In order to provide quality, professional services, Cranbrook Fire & Emergency Services has adopted high level training and program delivery standards. Staff are certified and trained for all programs to National Fire Protection Association Standards or Industry Best Practices, which involves approximately 800 training hours per member per year. Comprehensive training is essential to ensure WorkSafe BC compliance, maintaining insurance industry (Fire Underwriters Survey) recommendations and maintaining skill competency to safely and effectively provide the following core services:

- Provide fire protection, first responder service and emergency services to City of Cranbrook and specified regions of Area 'C' (approximately 1,369 calls annually)
- Provide vehicle extrication
- Provide Operations Level Hazmat response within our emergency response area
- Provide fire safety public education programs within the community
- Responsible for the management of the City of Cranbrook's Emergency Program
- Responsible for enforcement of the Fire Services Act of B.C. Fire Code Regulation
- Responsible for fire investigations involving fires within the City of Cranbrook
- Provide confined space rescue
- Conduct fire safety inspections on all public buildings within the City of Cranbrook (approximately 1,200 inspections annually)
- Provide dispatch services for 9-1-1 fire and emergency services for 15 Kootenay communities (1,239 incidents managed)
- Provide dispatch, working alone and after hours call out service for the Fire Department, Public Works and 15 Fire Department dispatch clients (total of 4,108 incidents managed.)
  - CF&ES emergency responses 1,369
  - Public Works 1,500
  - Dispatch clients 1,239

Fire & Emergency Services
Completed Initiatives for 2012

- Completed concept design for fire training ground
- Officer level members completed Blue Card Incident Management Training
- Completed dispatch communication system upgrade
- Completed digital dispatch test model with City of Kimberley
- Provided 3,860 man hours of training to Cranbrook Fire & Emergency Services responders
- Completed the implementation for FDM Workshare for 15 fire service dispatch clients

Fire & Emergency Services Initiatives - 2013:

- Expand digital dispatch test model
- All staff to complete Blue Card Command training
- Modify CF&ES Emergency Incident Command & Management Model
- Develop a new succession plan for Chief and Deputy Chief replacement
- Develop a workplace compliance program
- Develop and implement a worker complaint/ recommendation system to support Kaizen elements
- Complete landscaping for fire hall
- Repair tower roof and replace tower gutters and repaint
- Commence development fire training ground
- Complete Fire Officer Level 1 program for Level 3 staff
- Implement electronic fire inspection system
- All staff complete Level 1 Major Scene Management training

Cranbrook Fire & Emergency Services Initiatives - 2014:

- Purchase new water tender to replace unit 1508
- Improve Fire Prevention capacity
- Develop and implement performance measurements for all fire department programs
- Develop succession plan for Training and Fire Prevention Coordinators
- Undertake a Fire Services Dispatch feasibility review
- Review and revise CF&ES Risk Management document

Leisure Services Department

The Leisure Services Department recognizes the health and wellness benefits of our residents participating in leisure and recreation programs. The Department strives to provide the best programs and facilities possible by utilizing available resources in the most efficient and economical means.

The Leisure Services department promotes healthy lifestyles through the development of quality parks, facilities, recreation and cultural opportunities for the year round use of our citizens. It is the Department's mission to provide and promote parks, open spaces and leisure programming that will enhance active living and the well-being of individuals and our community. Leisure Services operates and maintains three ice arenas; an aquatic centre with a leisure pool, 25 meter 8 lane lap pool, hot tub, sauna and steam room; a squash court; booking of city and school district facilities (parks, gyms, classrooms); providing special events at all City facilities through community and private partnerships.

The Leisure Services Department consist of the following staff:

- Director of Leisure Services
1 support staff
- Facilities Operations Manager
.5 support staff and 10 full time
and 2 part time arena technicians
- Events and Marketing Manager
.5 support staff
- Programming and Staffing Coordinator
1 support staff and 3 part time
and 4 casual front office staff
- Aquatic Coordinator
Lifeguard 3 -.75 and 2 part time;
Lifeguard 2 - 2 part time;
Lifeguard 1 - 9;
Relief Lifeguard - 6

Leisure Services 2012 Highlights include:

- Partnered with School District 5 to reconstruct four tennis courts at Mount Baker High School. Construction 90% complete with final surface and painting to occur in spring 2013. Successful in a $50K grant from CBT Community Initiatives toward the project
- Staff was successful in securing Western Financial Group as the naming rights holder for the former Cranbrook Rec Plex
- Staff was successful in their application for over $270K from the Community Recreation Program to rebuild four bridges in Idlewild Park and along Rotary Way, as well as extend the Rotary Way to connect with NorthStar Rails to Trails. The major summer storm experienced in the city did put Public Works staff behind on projects so completion of bridges will take place in spring 2013
- Completed upgrades to box office to allow online sales
- Reached an agreement with the Cranbrook Bike Skills Park Society to build the Bike Skills Park
- Worked with Public Works staff to complete the expansion of the Generations Playground at Western Financial Place
- Partnered with Community Connections of Southeast BC and the Cranbrook Food Action Committee to construct a seniors friendly public produce garden at McKinnon Park. Staff was successful in funding this 100% with a grant from the UBCM Age Friendly Community Planning and Project Grant
- Secured operator for contractor to operate and maintain NorthStar Rails to Trails Washrooms
- Worked with the NorthStar Rails to Trails Advisory Committee to become a Society
- Replaced lighting fixtures in Aquatic Centre to LED to reduce energy and save staff time replacing lights
- Replaced pool filter system
- Conducting energy audit of Western Financial

Place to determine optimum investment to reduce energy consumption and reduce carbon footprint

- Hosted three major events; Johnny Reid, Bob Dylan, and a mixed martial arts event. A fourth event was cancelled due to low ticket sales
- Partnered with Rocky Mountain Naturalists to conduct trail upgrades at Elizabeth Lake/ Confederation Park
- Hosted Move for Health day and Pitch In Week activities
- Completed resurfacing of McKinnon Park basketball courts
- Completed multi generational flower/shrub/ vegetable boxes at Western Financial Place with a successful grant from the New Horizons for Seniors Program
- Staff was unsuccessful in securing a grant to bring a music in the park program to Spirit Square/Rotary Park but will pursue in 2013
- Continued remediation on the Western Financial Place compromised exterior walls
- Public Works installed accessible swing set, and replaced gravel with engineered wood fiber which is safer and more accessible for wheelchairs at the Generations Playground located at Western Financial Place
- Partnered with Sunrise Rotary Club to host the annual Canada Day Celebration
- Hosted a Kiddies Day parade during Sam Steele Days
- Worked with a variety of groups to assist in event planning, including MOPARS car show, Cranbrook Kennel Club dog show
- Initiated a design/engineer study to identify alternative energy opportunities for Western Financial Place to reduce carbon footprint (study underway with results expected first quarter of 2013)

Leisure Services
Major Initiatives - 2013:

- Completion of extension to link Rotary Way to the NorthStar Rails to Trails and downtown linkages to the Cranbrook Arches
- Completion of final surfacing/installation of nets at Mt. Baker Tennis Court facility
- Finalize operational agreement with the NorthStar Rails to Trails Society to maintain the NorthStar Rails to Trails
- Work with the Wellness and Heritage Committee to complete a review of the Leisure Services Fees and Charges Bylaw
- Work with Public Works to make upgrades to Gyro Park tennis courts. Grants from Columbia Basin Trust Community Initiatives and Community Infrastructure Improvement Funding
- Complete playground equipment replacement at McKinnon Park
- Continue to work with the Cranbrook Home Run Society to identify opportunities on improvements to Confederation Park
- Develop plan to increase programming opportunities so department is full cost recovery
- Partner with Rocky Mountain Naturalists to conduct ongoing trail upgrades at Elizabeth Lake/Confederation Park
- Pursue four to six major concerts/events for Western Financial Place
- Aquatic Centre Lighting Replacement/ Upgrade Phase Two
- Develop options to replace high steel rigging with approved system
- Develop new aquatic programs to increase usage. Seek grant opportunities to fund Grade Three free swim lessons
- Pursue funding through TDGreenstreet to plant trees around the perimeter of Kinsmen Park

Leisure Services Department (Continued)

- Pursue partnerships and grant opportunities to begin Music in the Park initiative in Spirit Square
- Development of a Parks and Recreation Master Plan
- Curling Club agreement renewal
- Replacement of Western Financial Place Zamboni
- Replace equipment at Tot Park in Pinecrest area
- Work with Cranbrook Bike Park Society to complete bike park at Balment Park
- Partner with Interior Health, Healthy Community Initiatives to develop a list of community health priorities

Leisure Services
Major Initiatives - 2014 and 2015:

- Work with Cranbrook and District Arts Council to assist with options for an Art Building
- Purchase an event trailer complete with items required to conduct special events for use by the public
- Replace counters throughout Western Financial Place
- Increase capacity of snow pit at Western Financial Place
- Add one pool spray apparatus to Leisure Pool
- Work with Cranbrook Rotary Club to identify opportunities for funding to continue upgrades to the Rotary Way trail
- Identify grant opportunities to assist in replacing playground equipment at Gyro Park
- Replacement of arena floor cover at Western Financial Place
- Facility upgrades at Western Financial Place as per the RDH LifeCycle Assessment recommendations

Public Works Department

Public Works crews keep the City moving. Taking care of approximately 138 km of paved roads and about 43 km of unpaved lanes and streets, the crews clear snow, sand, repair and clean our streets. The crews take care of public parking lots, sidewalks and pedestrian pathways; roadway and surface drainage channels, structures and storm sewers. To ensure traffic moves safely Public Works maintains traffic and pedestrian signals, street lighting, regulatory and information signage.

Approximately 6900 water services are maintained to residences across the City as well as 175 business and 5 industrial services. In 2012, 4.4 billion litres of potable water were delivered to clients. Public Works crews maintain, repair and replace the in-ground pipes delivering this essential service; monitor the quality of the water collected at two separate surface watersheds, maintain a diversion structure, surface water reservoir, disinfection facilities and feed lines. Instrumentation installed in the Gold Creek and Joseph Creek watersheds and at a diversion structure south of the City's Phillips Reservoir provides continuous on-line monitoring of surface water quality and flows from these valuable water sources. The equipment also monitors the apportionment of surface waters directed into the reservoir and into Joseph Creek that flows through Cranbrook. The monitoring equipment measures conductivity, turbidity and temperature from each of the two watersheds and records flow from the Gold Creek pipeline. Crews completed 84 major repairs to water and sewer services in 2012.

Public Works also keeps the City clean and attractive. Crews collect residential solid waste and trash from public areas, are responsible for the maintenance and operation of the City's wastewater collection and treatment systems as well as effluent transfer to the Spray Irrigation site.

In our parks and open spaces, Public Works personnel maintain playfields, playgrounds, boulevards, creeks and natural areas, trees, shrubs and gardens, the cemeteries, mausoleum and public structures including water parks, shelters and public toilets. Our crews work closely with community groups involved in the planting of trees, shrubs and flowers throughout Cranbrook by providing personnel and equipment to both develop new planting sites and maintain existing sites.

City Hall, our arenas, the Public Works yard, fire stations and numerous small public buildings are maintained by Public Works personnel, directly and by contract, providing janitorial services, security, heat/ventilation/air conditioning services, carpentry, electrical, plumbing, painting, roofing, flooring, lighting and glazing.

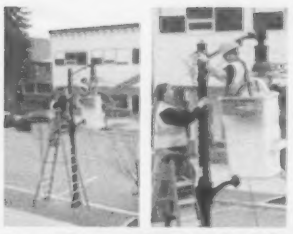
To keep all of these services on the move, our crews maintain, service and repair the City's fleet of vehicles and apparatus.

The Director of Public Works is responsible for the overall operation of the department as well as the day to day operation of the utilities function. The Public Works Manager looks after the roads, sidewalks, parks, cemeteries, and the collection of residential solid waste. The Trades Manager oversees the building and fleet operation and is responsible for traffic signals, street lights, and roadway, transit, and information signage in the community.

Forty-seven full time staff provide the hands-on delivery of service and are supported by two administrative positions. During summer, a crew of 15 students is brought on to maintain the large area of parks, playfields and green space in the community.

Public Works 2012 Major Accomplishments

- Safety upgrades to the tunnel at the Phillips Reservoir
- Seal leaks in the tunnel under the Phillips Reservoir
- Replace failing components on the main water supply trunk main
- Replace large diameter flow meters at the lagoon transfer pump house, spray irrigation pump house and the alum building



Public Works Department (Continued)

- Install flow monitoring equipment on the two sanitary sewer trunk mains flowing into the wastewater treatment lagoons
- Construct flood control structures at the wastewater treatment lagoons
- Connect the WWTIP SCADA data collection to the existing database
- Field confirm transportation, utility, and parks related GIS information
- Complete electrical upgrades at Phillips Reservoir and the Public Works Yard
- Upgrade control valves and instrumentation at pressure reducing stations
- Construct a building to provide access to a 900 mm gate valve in a concrete chamber
- Install 12 low maintenance deep trash receptacles
- Improve on the measurement component of the water loss management program
- Implement the first pressure managed zone in the City's water distribution network
- Landscaping upgrades at the north entrance welcome sign
- Construct a Citizens Wall of Honour in Rotary Park
- Internal modifications to a portion of the RCMP building
- Demolish one building behind 40 – 10th Avenue South

2012 Major Accomplishments Roads and Parks

- Skin patching Theatre Road, 7th Street South, 27th Avenue to Highland School, corner of 23rd Avenue and 4th Street North
- Paving of Baker Street and 11th Avenue South intersection
- Miscellaneous paving through Engineering Services 12th Street North at Tamarack Mall and 11th Avenue South at the Court House
- Paving McKinnon Park basketball court
- Construction of RV parking lot at sani-dump
- Windstorm cleanup 1000 man hours
- Construction Centennial Garden III
- Tree planting (80 trees) at Cranbrook Street, Legion Cemetery and other locations
- Rebuilt Moir Park Garden by football field
- First of four pedestrian bridge installations over Joseph Creek at St. Mary's School

Public Works
Major Initiatives - 2013

- West/South entrance to Cranbrook – landscaping work
- Seal leaks in the tunnel under the Phillips Reservoir
- Connect the WWTIP SCADA data collections to the existing database
- Upgrade a City Hall washroom to enable handicap access and use
- Field confirm transportation, utility and parks related GIS information
- Upgrade control valves and instrumentation at pressure reduction stations
- Install two low maintenance 'deep' trash receptacles
- Implement the first pressure managed zone in the City's water distribution network
- Clock Tower Square – reconstruction and landscaping
- Installation of remaining three pedestrian bridges on Joseph Creek at Idlewild Park and the Kinsmen greenbelt
- Paving in front of Access Centre on Cranbrook Street.

Public Works
Major Initiatives - 2014

- Upgrade at RCMP Building including handicap parking

Royal Canadian Mounted Police (RCMP)

Police Services
Community police services are provided by the Royal Canadian Mounted Police through a contract with the City of Cranbrook. The Cranbrook Detachment includes 26 municipal, 6 provincial and 1 federal positions making up 33 regular members. These 33 members are comprised of general duty, plain clothes serious crime section, forensic identification services, crime prevention and community policing and one First Nations officer. Additionally, the detachment has the services of the Police Dog Service and Victim Services. The detachment also has 13.5 positions for support staff.

In 2012, the Detachment responded to a total of 7439 calls for service within its jurisdiction. Each year through a consultative process, the detachment develops its policing priorities. In 2012, these priorities were:

Prolific Offenders
The Cranbrook RCMP continued on its 2009 initiative of monitoring compliance of court ordered conditions for offenders designated by the detachment as prolific offenders. In 2012 Cranbrook officers conducted 68 checks on 3 prolific offenders, which resulted in 25 charges for offences such as Assault Causing Bodily Harm, Assault With a Weapon, Breach of Bail, Assault, Threats and Theft.

Property Crime
In an effort to provide information and education to the public, a RCMP booth was set up at the Kinsmen Home Show. Members and RCMP Volunteers including Citizens on Patrol and Auxiliary Constables met with the public and provided them with information on anti-bullying, violence against women, personal and property protection and general safety information. Additionally, public service announcements were broadcast through radio and newspaper on topics such as driving safety and pedestrian safety as it relates to returning to school safety and Halloween safety. There were 1,089 property related offences in 2012. Property related offences included break, enter and theft; mischief to property; thefts; and thefts from vehicles.

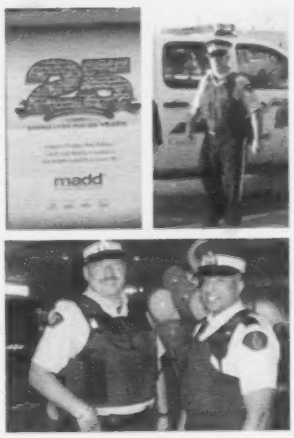
Traffic
In 2012, the Cranbrook Detachment members continued their pursuit of reducing the incidence of impaired driving and driving while prohibited. As a result, there were a total of 100 drivers removed from the roads, of which 62 were charged criminally for impaired driving, and 26 drivers were issued with driving prohibitions ranging from 24 hours to 72 hours.

One general duty member of the Cranbrook Detachment will be recognized as a member of "ALEXA'S TEAM", in the continued memory of a 5 year old child who was killed by an impaired driver. This member forwarded for charge approval 11 impaired drivers in 2012.

School zones were monitored during times such as school opening and the arrival of spring. Throughout the school year, members regularly monitor school zones for preventative measures. There were 13 Speed Watch and 8 Traffic Flow Observe and Report sessions conducted by Cranbrook Auxiliary Constables and Speed Watch Volunteers in areas of concern. Additionally, the Cranbrook in Motion Committee has a RCMP representative who addresses traffic related requests and recommendations.

Alcohol and Drugs, Organized Crime
In a continued effort to address increased criminal activity around various licensed premises, Cranbrook Detachment members engaged in dedicated enforcement activities throughout the downtown core on Friday and Saturday evenings. This was again supported by the City of Cranbrook and owners of various licensed premises.

Drug enforcement has increased this year with the implementation of a drug task force which operates in both Cranbook and Kimberley. This task force has executed numerous search warrants under the *Controlled Drug*



Strategic Community Investment Funds

The BC Provincial Government recognizes that most local governments rely on grant funding to meet operational and capital requirements. The Strategic Community Investment Funds program provides funds to help stimulate local economies and support investments in community safety.

In 2012, the City received $579,090 from the Strategic Community Investment Funds, of which $375,000 was used to cover general increases in policing costs, and to fund other Local Government services.

The City used $40,000 for RCMP video monitoring equipment and $15,000 for road and sidewalk improvements as part of the Slaterville Neighborhood Plan, in 2012. An additional $65,000 has been budgeted in 2013 for Slaterville improvements. Also in 2013, $10,000 will fund a railway overpass study, to help plan for future traffic flow improvements.

and Substances Act and have targeted street dealers and their suppliers. In 2012 the task force was responsible for forwarding 67 charges for mostly Trafficking in a Controlled Substance or Possession for the Purpose of Trafficking.

Youth

The Community Prevention Education Continuum (CPEC) continues to operate within Cranbrook. The format remains the same with a community approach beginning in kindergarten which is carried through to grade 12. Youth are provided with the means and skills to make positive life choices.

The P.A.R.T.Y. Program began its new delivery as the "After P.A.R.T.Y." program. The After P.A.R.T.Y. is now utilizing positive messaging with an emphasis placed on developmental assets.

The Detachment continues to deliver the D.A.R.E. (Drug Abuse Resistance Education) program to approximately 300 students delivered by four D.A.R.E. officers. There are ten elementary schools receiving the D.A.R.E. program with Gordon Terrace Elementary now having reintroduced D.A.R.E. back into their curriculum.

School Liaison Officers continue their interaction with youth in all Cranbrook schools as well as other interactive programs throughout the community (ie. detachment tours, safety talks).

Cranbrook RCMP, in partnership with Mount Baker High School's Leadership Group, has continued to deliver cyber-bullying presentations to grades 7 and 9 students at Laurie Middle School and grades 7 & 8 students at Parkland Middle School. In addition to the student presentations, an Internet safety and cyber-bullying presentation was delivered to interested parents of Parkland Middle School students.

First Nations Police Officer Cst. Eldene Stanley brought to Cranbrook the Roll Over Simulator for demonstrations at Parkland Middle School and Mount Baker High School. There were in excess of 200 students who took part in viewing several simulations. The simulations demonstrated vehicle rolls where the passengers were wearing seat belts vs. not wearing seat belts at different speeds.

Community Involvement

The COPS for Kids ride returned to Cranbrook in 2012. The annual Cranbrook "All Male Fashion Show" was once again a huge success raising $9,300 to go towards the cause.

The Law Enforcement Torch Run (LETR) was also held in Cranbrook. This was the second year that the run took place in Cranbrook with participant numbers doubling. The LETR is run in partnership with Special Olympics and law enforcement personnel who want to help Special Olympics athletes experience positive achievement and acceptance through sport.

The Community Policing Officer, Constable Lisa Schlatter, is a member of the Family and Community Services Committee and the Safe Communities Cranbrook Committee.

Auxiliary Constables, Citizens on Patrol and Restorative Justice

The community continues to benefit from 39 volunteers in various programs (Auxiliary Constables, Citizens on Patrol and Restorative Justice) which support the Detachment in providing service to the Cranbrook community. In 2012, the volunteers contributed 2,136 hours of their time. The Auxiliary Constables also assisted with several community events throughout the year including Sam Steele Days, Canada Day, Kootenay Ice games, Remembrance Day ceremonies, School Liaison activities, D.A.R.E, parades and concerts, community/school presentations and assisting members on patrol.

Senior Management Team

- Wayne Staudt, CA
  Chief Administrative Officer
- Charlotte Osborne, CGA
  Director of Finance & Computer Services
- Roy Hales, MCIP,
  Director of Corporate Services
- Jamie Hodge, P.Eng,
  Director of Engineering
- Chris New,
  Director of Leisure Services
- Wayne Price,
  Director of Fire & Emergency Services
- Joe A. McGowan, AScT,
  Director of Public Works

- Police
  Royal Canadian Mounted Police
- Solicitors
  Murdy & McAllister
  Steidl, Kambeitz
- Bank
  Bank of Montreal
- Auditors
  BDO Canada LLP

Management's Responsibility for Financial Reporting

To the Mayor and Members of Council:

In accordance with Section 167 of the Community Charter, we are pleased to submit the 2012 consolidated financial statements for the Corporation of the City of Cranbrook, together with the report of our auditors, BDO Canada LLP.

The preparation of the consolidated financial statements is the responsibility of the City's management. The statements have been prepared by City staff in accordance with Canadian generally accepted accounting principles for governments in the Province of British Columbia. These principles are based upon recommendations of the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

The consolidated financial statements have been audited by BDO Canada LLP Chartered Accountants in accordance with Canadian generally accepted auditing standards on behalf of the ratepayers. The auditor's report expresses their opinion on these consolidated financial statements. The auditor has full and free access to the accounting records.

Charlotte Osborne, CGA
Director of Finance and Computer Services

Wayne Staudt, CA
Chief Administrative Officer

May 27, 2013

BDO

Tel: 250 426 4285
Fax: 250 426 8886
www.bdo.ca

BDO Canada LLP
35 - 10th Avenue S
Cranbrook BC V1C 2M9 Canada

Independent Auditor's Report

To the Mayor and Members of Council
of The Corporation of the City of Cranbrook

We have audited the accompanying financial statements of The Corporation of the City of Cranbrook, which comprise the consolidated statement of financial position as at December 31, 2012, and the consolidated statements of operations, changes in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the The Corporation of the City of Cranbrook as at December 31, 2012 and its statements of operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Accountants

May 27, 2013
Cranbrook, BC

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

The Corporation of the City of Cranbrook
Consolidated Statement of Financial Position

December 31	2012	2011
Financial Assets		
Cash and funds on deposit (Note 1)	$ 23,840,915	$ 21,109,434
Accounts receivable (Note 2)	11,851,560	8,146,614
Property acquired for taxes subject to redemption (Note 3)	78,879	38,518
Land held for resale	21,324	-
Deposit – Municipal Finance Authority (Note 4)	1,274,267	1,021,655
	37,066,945	30,316,221
Liabilities		
Accounts payable and accrued liabilities (Note 5)	7,494,939	6,560,316
Temporary borrowing (Note 6)	-	2,000,000
Deferred revenue (Note 7)	3,432,172	2,823,849
Development cost charges (Note 8)	2,179,902	1,918,550
Reserve – Municipal Finance Authority (Note 4)	1,274,267	1,021,655
Debt (Note 9)	37,384,576	33,680,214
Capital lease obligation (Note 10)	19,877	7,713
	51,785,733	48,012,297
Net Debt	(14,718,788)	(17,696,076)
Non-Financial Assets		
Tangible capital assets (Note 11)	188,456,881	178,760,401
Inventories of supplies and prepaid expenses	521,311	555,245
	188,978,192	179,315,646
Accumulated Surplus	$ 174,259,404	$ 161,619,570

Charlotte Osborne, CGA
Director of Finance and Computer Services

Wayne Staudt, CA
Chief Administrative Officer

The Corporation of the City of Cranbrook
Consolidated Statement of Operations

For the year ended December 31	2012 Budget	2012 Actual	2011 Actual
Revenue			
Taxation for municipal purposes (Note 14)	$ 23,583,829	$ 23,535,194	$ 22,154,736
Grants in lieu of taxes	285,000	293,452	267,015
Utility fees	6,518,147	6,544,234	6,272,890
Federal government grants	10,227,993	8,661,196	8,386,888
Provincial government grants	881,148	1,067,826	3,281,416
Regional and other local government grants	363,739	340,359	404,923
Sale of services and fees	6,377,187	6,583,735	6,471,363
Service, penalties, and interest charges	376,000	372,162	491,360
Contributions from Developers, and others	-	153,125	82,145
Contributed assets	-	46,810	3,456,160
Development cost charges	140,000	474	3,041
Interest earned on investments	267,600	307,191	313,988
Other revenue	286,284	377,318	338,753
Donations	31,015	40,517	40,200
	49,337,942	48,323,593	51,964,878
Expenses (Note 15)			
General government services	6,184,338	5,532,693	5,379,591
Protective services	7,849,009	7,613,179	7,454,732
Engineering services	2,618,986	2,658,212	2,403,248
Public work services	4,733,511	4,259,594	4,399,644
Western Financial Place	3,573,020	3,375,692	3,569,034
Recreation and cultural services	2,788,566	2,624,518	2,365,885
Water services	3,279,395	2,979,969	2,873,738
Sewer services	2,046,531	2,440,471	2,901,380
Solid waste services	2,079,920	1,941,354	1,912,063
Airport operations	2,142,034	2,258,077	2,080,927
	37,295,310	35,683,759	35,340,242
Annual Surplus (Note 17)	12,042,632	12,639,834	16,624,635
Accumulated Surplus, beginning of year	161,619,570	161,619,570	144,994,935
Accumulated Surplus, end of year	$ 173,662,202	$ 174,259,404	$ 161,619,570

The Corporation of the City of Cranbrook
Consolidated Statement of Changes in Net Debt

For the year ended December 31	*2012*	**2012**	2011
	Budget	**Actual**	Actual
Annual Surplus	*$ 12,042,632*	**$ 12,639,834**	$ 16,624,635
Acquisition of tangible capital assets	*(18,261,172)*	**(15,931,389)**	(27,280,300)
Amortization of tangible capital assets	*5,300,001*	**6,224,909**	5,172,405
(Gain)/loss on disposal of tangible capital assets	-	**(7,500)**	34,625
Proceeds on sale of tangible capital assets	-	**17,500**	29,993
Net consumption/(acquisition) of supplies and prepaid expenses	-	**33,934**	(384,752)
	(12,961,171)	**(9,662,546)**	(22,428,029)
Change in net debt for the year	*(918,539)*	**2,977,288**	(5,803,394)
Net debt, beginning of year	*(17,696,076)*	**(17,696,076)**	(11,892,682)
Net debt, end of year	*$(18,614,615)*	**$(14,718,788)**	$(17,696,076)

The Corporation of the City of Cranbrook
Consolidated Statement of Cash Flows

For the year ended December 31	2012	2011
Operating transactions		
Annual Surplus	**$ 12,639,834**	$ 16,624,635
Items not involving cash		
Contribution from developers and others	**(153,125)**	(34,000)
Contributed assets	**(46,810)**	(3,456,160)
Actuarial adjustment	**(198,280)**	(164,799)
Amortization	**6,224,909**	5,172,405
(Gain)/loss on sale of tangible capital asset	**(7,500)**	34,625
Changes in non-cash operating balances		
Accounts receivable	**(3,704,946)**	2,418,431
Property acquired for taxes	**(40,361)**	(38,518)
Inventory and prepaid expenses	**33,934**	(384,752)
Accounts payable and accrued liabilities	**934,623**	(2,017,293)
Deferred revenue	**608,323**	39,941
Development cost charges	**261,352**	211,086
Land held for resale	**(21,324)**	-
	16,530,629	18,405,601
Capital transactions		
Acquisition of tangible capital assets	**(15,711,052)**	(23,790,140)
Proceeds on sale of tangible capital assets	**17,500**	29,993
Cash applied to capital transactions	**(15,693,552)**	(23,760,147)
Financing transactions		
Repayment of long-term debt	**(1,512,960)**	(1,283,166)
Repayment of temporary borrowing	**(2,000,000)**	-
Repayment of obligations under capital lease	**(8,236)**	(9,304)
Proceeds from debt issues	**5,415,600**	2,750,000
	1,894,404	1,457,530
Net change in cash and short-term deposits	**2,731,481**	(3,897,016)
Cash and short-term deposits, beginning of year	**21,109,434**	25,006,450
Cash and short-term deposits, end of year	**$ 23,840,915**	$ 21,109,434
Supplementary Information:		
Interest Received	**$ 307,191**	$ 313,988
Interest Paid	**$ 1,964,094**	$ 1,925,369

The Corporation of the City of Cranbrook
Summary of Significant Accounting Policies

December 31, 2012

Basis of Presentation

The consolidated financial statements of the Municipality are the representations of management and are prepared in accordance with Canadian generally accepted accounting principles for governments using guidelines issued by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Reporting Entity

The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to City Council and which are owned or controlled by the City of Cranbrook.

These consolidated statements reflect the assets, liabilities, revenues, expenses, changes in net debt, and cash flows of the reporting entity. In addition to the general City of Cranbrook departments, the reporting entity includes the Cranbrook Public Library.

Funds on Deposit

Funds on deposit include temporary investments recorded at the lower of cost or market value.

Land Held for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes the original acquisition cost, plus any professional fees incurred in association with the acquisition. Net realizable value is defined as the estimated selling price less any estimated costs necessary to make the sale.

Vacation and Sick Pay

Vacation pay is charged to expense in the year it is earned. Sick leave is allocated on an annual basis and does not accrue beyond the fiscal year and therefore is charged to expense when taken.

Development Cost Charges

Development cost charge ("DCC") levies are restricted by by-law in their use for providing funds to assist the municipality in paying the capital cost of providing, constructing, altering or expanding sewage, water, drainage and highway facilities and the revenue is deferred until the expenses are incurred. When DCC expenses are made, a corresponding amount is recorded in revenue as "Development Cost Charges."

Inventories of Supplies and Prepaids

Inventories and prepaid expenses held for consumption are recorded at the lower of cost and replacement cost and are reported as non-financial assets.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. The cost and accumulated amortization of assets no longer in use are removed from the accounting records and the difference between net proceeds, if any, and the net book value is recorded as revenue or expense. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing in the year following acquisition as follows:

Land	Not amortized
Land improvements	15 to 25 years
Buildings	10 to 50 years
Technology – IT	5 to 10 years
Equipment	
Furniture and equipment	10 to 15 years
Equipment under capital lease	5 years
Infrastructure	
Roads and sidewalks	10 to 75 years
Storm sewers	25 to 40 years
Parking lots	15 to 50 years
Water infrastructure	25 to 60 years
Sewer infrastructure	20 to 50 years
Airport runway	20 to 40 years
Parks	10 to 50 years
Library book collection	3 to 10 years
Construction in progress	Not amortized

When there has been a change in circumstances and the service potential of a tangible capital asset has declined, the asset is written down based upon the relative loss of the service potential. If a tangible capital asset no longer contributes to the City's ability to provide services, its carrying amount is written down to its residual value.

Revenue Recognition

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues and the amounts to be received can be reasonably estimated and collection is reasonably assured.

Taxation for municipal purposes is recorded as revenue in the period the taxes are levied.

User charges, fees, and other amounts collected for which the City has an obligation to perform or provide a future service are deferred until the service is provided.

Contributions or other funding received which has externally imposed restrictions are initially accounted for as deferred revenue and then recognized as revenue when used for the specific purpose.

Contributions received in-kind are recognized as revenue in the period received at the fair market value at the time of the contributions.

Government Transfers

Government transfers are recognized in the period in which events giving rise to the transfers occur, provided that the transfers are authorized, any eligibility criteria have been met, and a reasonable estimate of the amount can be made unless the transfer agreement contains stipulations that create a liability in which case the transfers are recognized as revenue over the period that the liability is extinguished.

Budget Figures

The budget figures are from the Five Year Financial Plan Bylaw to be adopted each year. They have been reallocated and adjusted to conform to PSAB Financial Statement Presentation.

Use of Estimates

The consolidated financial statements of the Municipality have been prepared in accordance with Canadian Public Sector accounting standards. The preparation of financial statements in conformity with these standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Significant areas requiring the use of management estimates include the determination of useful life and amortization of tangible capital assets.

1. Cash and Funds on Deposit

Amounts included in cash and funds on deposit which have been specifically designated and set aside for internally and externally restricted purposes total $12,948,424 (2011 - $11,131,559).

2. Accounts Receivable

	2012	2011
Taxes - current	$ 1,572,120	$ 1,559,107
- arrears	548,890	516,216
Federal government	8,349,361	2,984,409
Province of British Columbia	15,368	1,487,216
Regional and other local governments	16,667	141,651
Other receivables	1,349,154	1,458,015
	$ 11,851,560	$ 8,146,614

3. Property Acquired for Taxes Subject to Redemption

In 2012, the City acquired 4 properties through tax sale where there were no bids. The value of the property, at the time of acquisition is deemed to be the outstanding taxes. The registered owners have one year to redeem their property, and if not redeemed, title is transferred to the City.

4. Deposit and Reserve - Municipal Finance Authority

The Municipality issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a debt reserve fund. The Municipality also executes demand notes in connection with each debenture whereby the Municipality may be required to loan certain amounts to the Municipal Finance Authority. The details of the cash deposits and demand notes at year end are as follows:

	2012	2011
Demand notes	$ 959,198	$ 766,959
Cash deposits	315,069	254,696
	$ 1,274,267	$ 1,021,655

5. Accounts Payable and Accrued Liabilities

	2012	2011
Federal government	$ 1,076,637	$ 1,124,245
Province of British Columbia	374,793	489,081
Regional and other local governments	13,493	108,671
Vacation and accrued benefits payable	673,280	738,108
Other payables	5,356,736	4,100,211
	$ 7,494,939	$ 6,560,316

6. Temporary Borrowing

During the year, the City repaid temporary borrowing of $2,000,000 from proceeds received as permanent financing relating to improvements to the City's waste water treatment and disposal system and to the Memorial Arena.

7. Deferred Revenue

	2012	2011
Property taxes	$ 2,543,258	$ 2,341,705
Other	888,914	482,144
	$ 3,432,172	$ 2,823,849

8. Development Cost Charges

	2012	2011
Balance, beginning of year	$ 1,918,550	$ 1,707,464
Add:		
Interest earned	24,072	20,554
Development cost charge levies	237,754	193,573
	2,180,376	1,921,591
Deduct:		
Expenditures	474	3,041
Balance, end of year	$ 2,179,902	$ 1,918,550

9. Debt

	2012	2011
Mortgages		
Mortgage debt is repayable to Canada Life Assurance Company, repayable monthly in the amount of $74,721, including interest at 7.25%, maturing 2030.	$ 9,069,631	$ 9,308,972
Demand Loan		
Debt is repayable to the Bank of Montreal, repayable monthly in the amount of $60,232 including interest at 4.48%, maturing 2020.	8,893,232	9,210,020
Debenture Debt		
Debenture debt is repayable to the British Columbia Municipal Finance Authority. Existing debentures mature in annual amounts to the year 2032 and interest is payable at rates ranging from 1.75% to 4.82% per annum.	19,171,713	15,161,222
Demand Promissory Note		
Note is repayable to the British Columbia Municipal Finance Authority in accordance with S. 178 of the Community Charter. Interest, at variable daily rates, is paid monthly. Principal must be repaid within 5 years	250,000	-
	$ 37,384,576	$ 33,680,214

9. Debt (continued)

Future minimum principal payments and actuarial adjustments required on debt for the next five years and thereafter, assuming loan is not demanded, are due as follows:

	Debenture Debt	Demand Loan	Mortgages	Total
2013	$ 1,270,247	$ 331,135	$ 257,138	$ 1,858,520
2014	1,275,666	346,278	276,119	1,898,063
2015	1,281,266	362,113	296,500	1,939,879
2016	1,287,053	378,673	318,386	1,984,112
2017	1,284,566	395,991	341,887	2,022,444
2018 and thereafter	13,022,915	7,079,042	7,579,601	27,681,558
	$ 19,421,713	$ 8,893,232	$ 9,069,631	$ 37,384,576

10. Capital Lease Obligation

	2012	2011
Computer equipment lease, minimum monthly payments of $638, interest rate 7.89%, expires November 2015.	$ 19,877	$ -
Lease obligation repaid.	-	7,713
	$ 19,877	$ 7,713

Future minimum payments under capital lease are:

Year	Amount
2013	$ 7,650
2014	7,650
2015	7,013
	22,313
Imputed interest	(2,436)
	$ 19,877

December 31, 2012

11. Tangible Capital Assets

	2012								
	Land	Land Improvements	Buildings	Technology - IT	Equipment	Infrastructure	Construction in Progress	Library Book Collection	Total
Cost, beginning of year	$ 10,313,022	$ 4,046,856	$ 53,591,462	$ 4,208,494	$ 10,055,887	$ 163,831,314	$ 4,848,444	$ 678,599	$ 251,574,078
Additions	29,029	161,955	1,124,264	221,104	1,778,583	10,091,169	2,470,855	54,430	15,931,389
Disposals				(176,575)	(375,707)	-		(56,627)	(608,909)
Reclassification of Construction in Progress		119,502	666,681	44,014	30,361	3,771,381	(4,631,939)	-	-
Cost, end of year	10,342,051	4,328,313	55,382,407	4,297,037	11,489,124	177,693,864	2,687,360	676,402	266,896,558
Accumulated amortization beginning of year	-	890,367	13,274,417	502,775	5,296,214	52,490,806	-	359,098	72,813,677
Amortization	-	134,764	1,373,807	303,709	558,911	3,786,634	-	67,084	6,224,909
Disposals	-	-	-	(176,575)	(365,707)	-	-	(56,627)	(598,909)
Accumulated amortization, end of year	-	1,025,131	14,648,224	629,909	5,489,418	56,277,440	-	369,555	78,439,677
Net carrying amount, end of year	$ 10,342,051	$ 3,303,182	$ 40,734,183	$ 3,667,128	$ 5,999,706	$ 121,416,424	$ 2,687,360	$ 306,847	$ 188,456,881

December 31, 2012

11. Tangible Capital Assets (continued)

2011

	Land	Land Improvements	Buildings	Technology - IT	Equipment	Infrastructure	Construction in Progress	Library Book Collection	Total
Cost, beginning of year	$ 8,456,346	$ 2,704,542	$ 45,269,545	$ 1,290,471	$ 9,411,237	$ 141,150,938	$ 16,001,583	$ 664,614	$ 224,949,276
Additions	1,856,676	1,342,314	1,490,489	2,438,029	1,094,452	14,669,036	4,322,726	66,578	27,280,300
Disposals	-	-	-	(153,104)	(449,802)	-	-	(52,593)	(655,499)
Reclassification of Construction in Progress	-	-	6,831,428	633,097	-	8,011,340	(15,475,865)	-	-
Cost, end of year	10,313,022	4,046,856	53,591,462	4,208,494	10,055,887	163,831,314	4,848,444	678,599	251,574,077
Accumulated amortization, beginning of year	-	791,030	12,141,894	514,582	5,162,587	49,277,673	-	344,387	68,232,154
Amortization	-	99,337	1,132,523	141,297	518,810	3,213,133	-	67,304	5,172,404
Disposals	-	-	-	(153,104)	(385,183)	-	-	(52,593)	(590,879)
Accumulated amortization, end of year	-	890,367	13,274,417	502,775	5,296,214	52,490,806	-	359,098	72,813,677
Net carrying amount, end of year	$ 10,313,022	$ 3,156,490	$ 40,317,045	$ 3,705,719	$ 4,759,673	$ 111,340,508	$ 4,848,444	$ 319,501	$ 178,760,401

12. Credit Facility

The Municipality has a credit facility agreement with a financial institution which provides for a total commitment of $6,000,000. At December 31, 2012, the Municipality had drawn an amount of $Nil (2011 - $301,532) on this agreement.

13. Pension Liability

The Municipality and its employees contribute to the Municipal Pension Plan ("the Plan"), a jointly trusteed pension plan. The Board of Trustees, representing Plan Members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 176,000 active members and approximately 67,000 retired members. Active members include approximately 35,000 contributors from local governments.

The most recent actuarial valuation as at December 31, 2009 indicated a $1,024 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. Defined contribution plan accounting is applied to the Plan as the Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the Plan.

The Corporation of the City of Cranbrook paid $821,691 (2011 - $783,950) for employer contributions to the Plan in fiscal 2012.

14. Taxation for Municipal Purposes

Taxation revenue for municipal purposes is comprised of the following amounts:

	2012	2011
Total levies and special assessments	$ 32,666,998	$ 31,374,631
Transfers to other governments:		
Regional District of East Kootenay	433,415	438,274
School District	7,960,596	7,975,064
Regional Hospital District	533,285	594,823
BC Assessment Authority	204,508	211,734
	9,131,804	9,219,895
General municipal purposes	$ 23,535,194	$ 22,154,736

15. Expenses by Object

	2012	2011
Administration	$ 2,337,066	$ 2,259,919
Amortization expense	6,224,909	5,172,404
Contract and professional services	8,986,628	9,090,496
Contributions to organizations	413,118	412,727
Debt servicing and financing charges	2,068,752	2,011,928
Materials, supplies, repairs, maintenance	2,999,412	4,038,377
Wages and benefits	12,653,874	12,354,391
	$ 35,683,759	$ 35,340,242

16. Commitments and Contingencies

a) Purchase and Service Contracts

The Municipality has purchase and service contracts with estimated annual minimum payments of $7,394,000 (2011 - $10,476,565).

b) Contingency for Pension Plan Contributions

The City is required to match employee contributions to the Municipal Pension Plan when an employee decides to purchase enrolment arrears for service periods prior to January 1, 1988. The future pension cost for this is unknown and these amounts, if any, will be expensed as payroll costs in future years when paid.

c) Other Contingencies

There are potential lawsuits pending in which the City is involved. It is considered that the potential claims against the City resulting from such litigation and not covered by insurance would not materially affect the consolidated financial statements of the City. These amounts, if any, will be expensed in future years when the claims are settled

17. Budget

The Budget adopted by Council on April 2, 2012 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to $nil. In addition, the budget recognized a revenue item equal to the budgeted amortization expense. As a result the budget figures presented in the statements of operations and net debt represent the Budget adopted by Council on April 2, 2012 with adjustments as follows:

	2012	2011
Budgeted surplus for the year	$ -	$ -
Add:		
Capital expenditures	**18,261,172**	28,096,054
Debt repayment	**1,703,641**	1,283,679
Transfers to surplus	**855,985**	559,565
Net transfers to reserves	**867,500**	-
Less:		
Proceeds from debt to fund capital expenditures	**(1,642,690)**	(5,327,418)
Transfers from accumulated surplus	**(2,702,975)**	(3,582,114)
Non-funded amortization	**(5,300,001)**	(4,500,000)
Net transfer from reserves	-	(3,509,300)
	$ 12,042,632	$ 13,020,466

18. Trust Funds

The Municipality holds funds in trust for specific uses comprised of the following amounts:

	2012	2011
Westlawn Perpetual Care Fund	$ **393,266**	$ 378,950
Arches Fund	-	122
	$ 393,266	$ 379,072

The assets and offsetting liabilities are not reflected in the Municipality's consolidated financial statements.

19. Segment Disclosure

The City of Cranbrook has identified the General, Utility and Airport funds as distinguishable activities of the municipality, and the Cranbrook Public Library as a distinguishable organization for which it is appropriate to separately report financial information.

The nature and activities of these identified segments are as follows:

- The General fund provides administration, protection (fire and police), public works, engineering, and recreation services and are funded through property taxation, grants, and service/user fees.

- The Utility fund provides water, sewer and solid waste services and is self-supporting, primarily funded by user fees and parcel taxes.

- The Airport fund encompasses the activities of the Canadian Rockies International Airport, a commercial operation.

- The Cranbrook Public Library is a municipal public library established under Bylaw No. 3418 to provide library services to the municipality.

The financial activities of these segments are reported in the following Schedule - Segment Reporting of Revenue and Expenses.

The Corporation of the City of Cranbrook
Schedule - Segment Reporting of Revenue and Expenses

For the year ended December 31 — 2012

	General	Utility	Airport	Library	Elimination	Total
Revenue						
Taxation for municipal purposes	$ 21,224,351	$ 2,310,843	$ -	$ -	$ -	$ 23,535,194
Grants in lieu of taxes	293,453	-	-	-	-	293,452
Utility fees	-	6,544,234	-	-	-	6,544,234
Federal government grants	815,348	7,673,089	171,656	1,103	-	8,661,196
Provincial government grants	956,098	10,000	-	101,728	-	1,067,826
Regional and other local government grants	213,457	-	-	634,510	(507,608)	340,359
Sale of services and fees	5,636,900	159,439	2,253,649	-	(1,466,253)	6,583,735
Service, penalties, and interest charges	331,755	40,407	-	-	-	372,162
Contributions from developers, and others	153,125	-	-	-	-	153,125
Contributed Assets	35,000	-	-	-	11,810	46,810
Development cost charges	-	474	-	-	-	474
Interest earned on investments	244,435	61,465	30,009	-	(28,718)	307,191
Other revenue	135,491	151,037	36,751	65,849	(11,810)	377,318
Donations	-	-	-	40,517	-	40,517
	30,039,412	16,950,988	2,492,065	843,707	(2,002,579)	48,323,593
Expenses						
General government services	6,088,031	-	-	-	(555,338)	5,532,693
Protective services	7,638,381	-	-	-	(25,202)	7,613,179
Engineering services	2,658,212	-	-	-	-	2,658,212
Public work services	4,723,547	-	-	-	(463,953)	4,259,594
Western Financial Place	3,377,892	-	-	-	(2,200)	3,375,692
Recreation and cultural services	1,897,295	-	-	733,503	(6,280)	2,624,518
Water services	-	3,404,270	-	-	(424,301)	2,979,969
Sewer services	-	2,756,473	-	-	(316,002)	2,440,471
Solid waste services	-	2,100,657	-	-	(159,303)	1,941,354
Airport operations	-	-	2,308,077	-	(50,000)	2,258,077
	26,383,358	8,261,400	2,308,077	733,503	(2,002,579)	35,683,759
Annual Surplus	$ 3,656,054	$ 8,689,588	$ 183,988	$ 110,204	$ -	$ 12,639,834

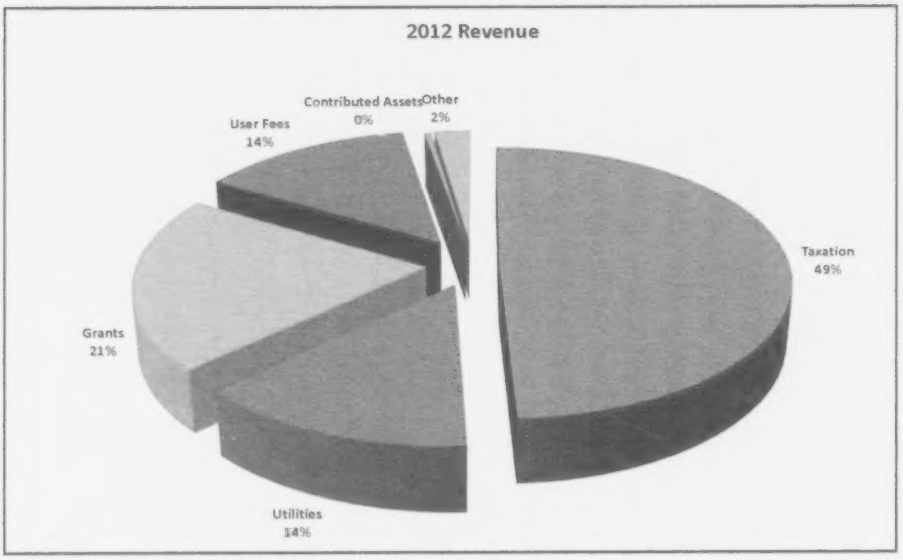
The Corporation of the City of Cranbrook
Schedule - Segment Reporting of Revenue and Expenses

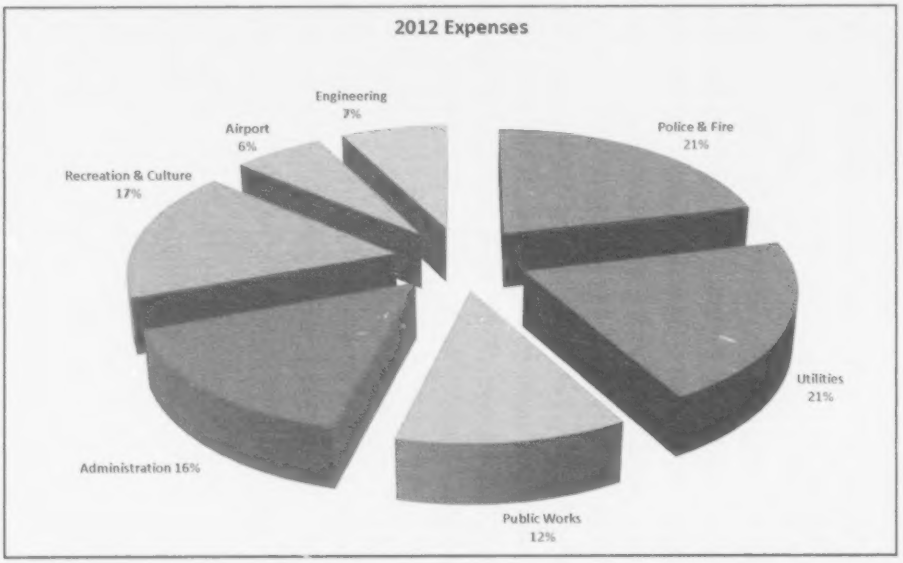
For the year ended December 31 — 2011

	General	Utility	Airport	Library	Elimination	Total
Revenue						
Taxation for municipal purposes	$ 20,197,079	$ 1,957,657	$ -	$ -	$ -	$ 22,154,736
Grants in lieu of taxes	267,015	-	-	-	-	267,015
Utility fees	-	6,272,890	-	-	-	6,272,890
Federal government grants	1,501,906	1,669,647	5,214,109	1,226	-	8,386,888
Provincial government grants	1,487,921	1,682,749	-	110,746	-	3,281,416
Regional and other local government grants	273,798	10,000	-	611,608	(484,502)	410,904
Sale of services and fees	5,596,595	162,013	2,152,226	-	(1,439,471)	6,471,363
Service, penalties, and interest charges	448,890	42,470	-	-	-	491,360
Contributions from developers, and others	65,345	16,800	-	-	-	82,145
Contributed Assets	3,362,080	94,080	-	-	-	3,456,160
Development cost charges	-	3,041	-	-	-	3,041
Interest earned on investments	229,089	79,397	30,363	-	(24,861)	313,988
Other revenue	165,642	89,598	28,426	49,106	-	332,772
Donations	-	-	-	40,200	-	40,200
	33,595,360	12,080,342	7,425,124	812,886	(1,948,834)	51,964,878
Expenses						
General government services	5,906,775	-	-	-	(527,185)	5,379,590
Protective services	7,484,238	-	-	-	(29,506)	7,454,732
Engineering services	2,403,248	-	-	-	-	2,403,248
Public work services	4,838,663	-	-	-	(439,019)	4,399,644
Western Financial Place	3,571,211	-	-	-	(2,177)	3,569,034
Recreation and cultural services	1,660,758	-	-	711,343	(6,216)	2,365,885
Water services	-	3,295,302	-	-	(421,564)	2,873,738
Sewer services	-	3,216,293	-	-	(314,913)	2,901,380
Solid waste services	-	2,070,319	-	-	(158,256)	1,912,063
Airport operations	-	-	2,130,927	-	(50,000)	2,080,927
	25,864,893	8,581,914	2,130,927	711,343	(1,948,834)	35,340,241
Annual Surplus	$ 7,730,467	$ 3,498,428	$ 5,294,197	$ 101,543	$ -	$ 16,624,637

Statistical Review

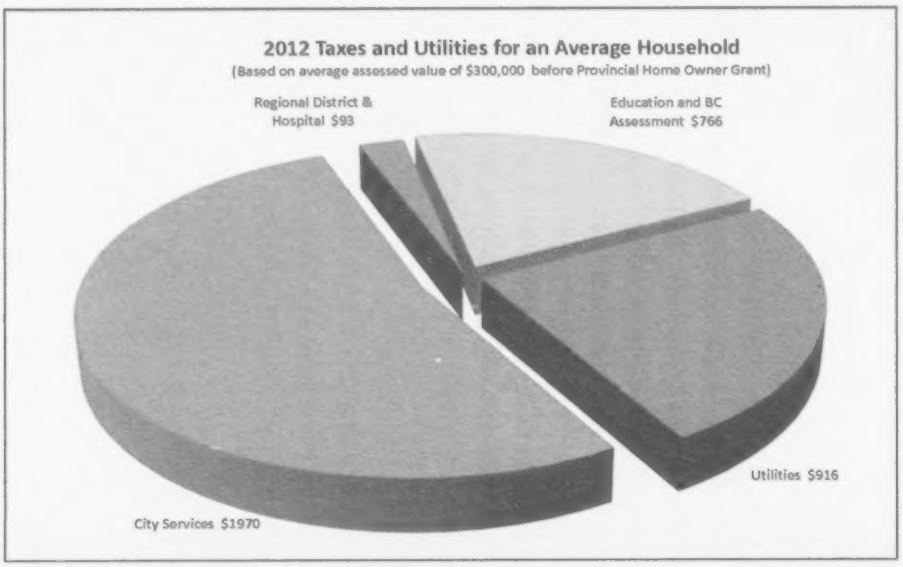
City of Cranbrook Population (City Proper) 19,319





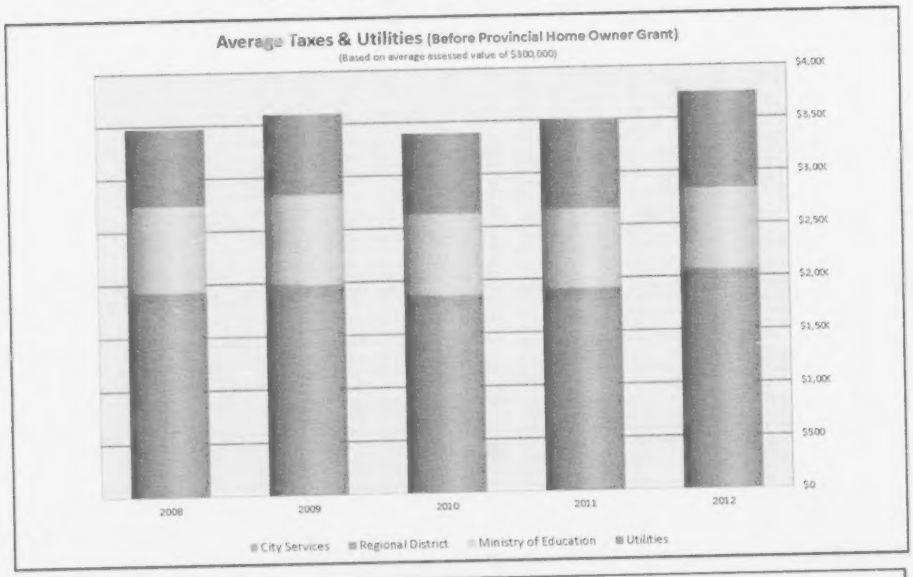
City of Cranbrook Population (Surrounding Area) 25,753

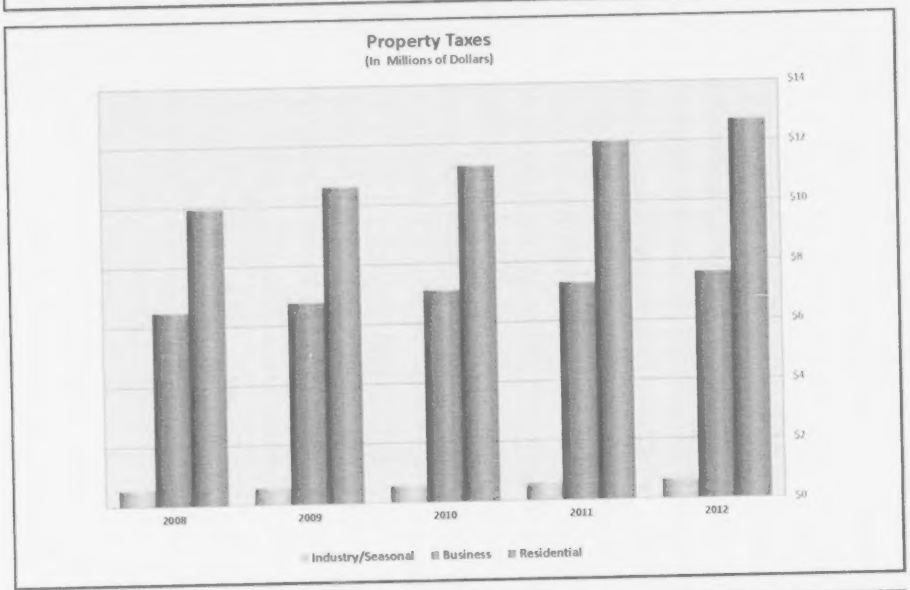
City of Cranbrook Voters List 14,810

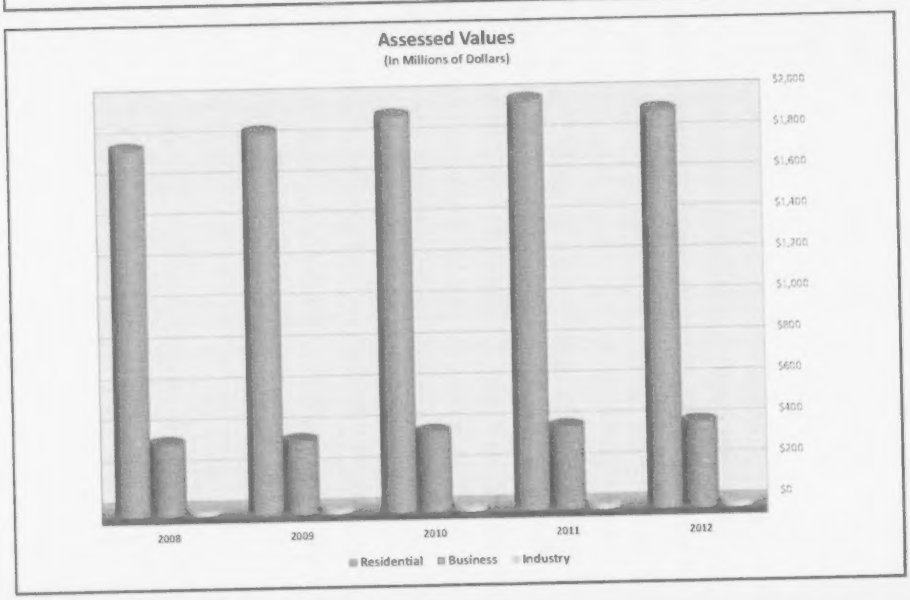

2012 Taxes and Utilities for an Average Household
(Based on average assessed value of $300,000 before Provincial Home Owner Grant)
Regional District & Hospital $93
Education and BC Assessment $766
Utilities $916
City Services $1970

Statistical Review

City of Cranbrook
Area
31.95 sq km







City of
Cranbrook
Elevation
926 m

STATEMENT OF 2012 PROPERTY TAX EXEMPTIONS
In accordance with Section 98(2)(b) of the Community Charter

Following adoption of City of Cranbrook Annual Taxation Exemption Bylaw No. 3730, 2011, the following properties were provided a permissive property tax exemption by City Council for the year 2012

Roll Number	Address	Property Tax Exemption Recipient	$ Value of Municipal Property Taxes Exempted
2120.000	300 - 6th Avenue South	BC Corp of 7th Day Adventist Church	1,346
1118.000	39 - 13th Avenue South	Canadian Mental Health Association	5,311
1121.000	45 - 13th Avenue South	Canadian Mental Health Association	977
3640.000	1701 - 5th Street South	Catholic Independent Schools of Nelson Diocese	4,739
1047.000	32 - 13th Avenue South (50%)	Community Connections Society of Southeast BC	1,330
1520.000	16 - 12th Avenue North	Community Connections Society of Southeast BC	2,493
1522.000	20 - 12th Avenue North	Community Connections Society of Southeast BC	5,488
1524.000	22 - 12th Avenue North	Community Connections Society of Southeast BC	1,242
4748.000	46 - 17th Avenue South	Community Connections Society of Southeast BC	4,046
8850.000	Kootenay Street North	Cranbrook Alliance Church	2,792
9510.000	1200 Kootenay Street North	Cranbrook Alliance Church	2,018
10101.000	1 Van Horne Street North	Cranbrook Archives Museum & Landmark Foundation	2,925
18008.000	57 Van Horne Street South	Cranbrook Archives Museum & Landmark Foundation	8,749
18008.015	75 Van Horne Street South	Cranbrook Archives Museum & Landmark Foundation	29,400
18010.000	1 Van Horne Street North	Cranbrook Archives Museum & Landmark Foundation	1,768
18010.500	CP R/W Lease	Cranbrook Archives Museum & Landmark Foundation	1,161
10189.000	629 - 6th Street NW	Cranbrook Christian School Society	1,714
4673.500	19 - 15th Avenue South	Cranbrook Society for Community Living	28,343
4675.000	1500 - 1st Street South (67%)	Cranbrook Society for Community Living	2,351
8829.010	2304 - 4th Street North	Cranbrook Society for Community Living	2,070
2842.000	922 - 11th Street South	East Kootenay Lutheran Parish	2,549
1822.000	328 - 14th Avenue South	First Baptist Church of Cranbrook	2,003
1972.000	300 - 10th Avenue South	Foursquare Gospel Church of Canada	1,185
5829.000	533 Slater Road NW	Governing Council Salvation Army in Canada	1,112
259.000	219 - 15th Avenue South	J. Fred Scott Villa	401
1595.001	20 - 14th Avenue North	Key City Theatre	27,413
782.000	133 - 7th Avenue South	Kootenay Christian Fellowship	618
782.000	133 - 7th Avenue South	Kootenay Christian Fellowship Men's Shelter	162
4558.020	2200 - 3rd Street South	Mount Baker Congregation of Jehovah's Witnesses	1,399
9903.000	2300 - 2nd Street North	Mountain View Village	15,205
841.000	821 - 1st Street South (67%)	New Apostolic Church Canada	2,452
2967.000	501 - 11th Avenue South	Pentecostal Assemblies of Canada	1,296
9890.000	2210 - 2nd Street North	President of Lethbridge Stake, LDS Church	1,866
1259.000	43 - 10th Avenue South	Roman Catholic Bishop of Nelson	458
13016.001	1100 - 14th Avenue South	Roman Catholic Bishop of Nelson	2,246
539.000	201 - 7th Avenue South	Ruthenian Greek Church	563
889.000	125 - 10th Avenue South (53%)	Summit Community Services Society	4,699
3479.000	1100 - 11th Street South	Summit Community Services Society	1,876
1040.000	38 - 13th Avenue South	Synod of the Diocese of Kootenay	1,745
4800.030	2324 - 2nd Street South	The Dwelling Place Church Ministries	2,799
4525.000	2100 - 3rd Street South	Trustees of the Knox Church	1,422
8809.000	2001 - 21st Avenue North	Trustees of the Cranbrook Fellowship Baptist Church	2,079
1102.000	2 - 12th Avenue South	Trustees United Church	628

MOUNTAINS OF OPPORTUNITY

CRANBROOK

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